AFRICA RECOVERY

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Major international meeting adopts Agenda for Action

Tokyo conference urges Africa support despite crisis

By **Ernest Harsch**
Tokyo

A high-level conference of African, Asian and donor leaders concluded here on 21 October by adopting the Tokyo Agenda for Action, which emphasizes measures to reduce African poverty and integrate the continent more fully into the global economy. The industrialized countries should continue to "extend hands of solidarity" to Africa, Japanese Prime Minister Keizo Obuchi affirmed two days earlier at the opening of the Second Tokyo International Conference on African Development (TICAD-II). He stressed that such support must be maintained despite the economic crisis affecting Asia and threatening the global economy, and urged a renewed development compact between Africa and its external partners to sustain economic growth, reduce poverty and promote peace and democracy on the continent.

Japan Ministry of Foreign Affairs

Japanese Prime Minister Keizo Obuchi (right) told TICAD-II that the international community must not let global economic turmoil reduce support for Africa's development priorities. To his immediate left are UN Development Programme Assistant Administrator Thelma Awori, UN Under-Secretary-General for Information Kensaku Hogen and, far left, UNDP Administrator James Gustave Speth.

During the conference, key donor officials and representatives of virtually every African country — including 13 African heads of state or government, as well as UN Secretary-General Kofi Annan — outlined the broad contours of such a compact. African leaders vowed to make their economies more competitive, while simultaneously pursuing steps to improve the education and social conditions of their people. Several donor officials, most notably from the UK and Sweden, announced significant increases in aid allocations to Africa, and many others, including Japan, promised more energetic action to alleviate Africa's crushing debt burden.

Significant reforms in Africa are creating a more hopeful climate for growth and investment, Mr. Annan noted during the conference's concluding session, but this growth remains fragile, as Africa recently has been subjected to outside "economic and financial turmoil and contagion," while "perennial social problems such as malnutrition, hunger, disease and lack of shelter are still widespread." Such difficulties make Africa "the greatest development chal-

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African debt hopes disappointed

World Bank and IMF annual meetings focus on Asia

By **Patrick Smith**
Washington, DC

Donor countries' failure to agree on a reformed multilateral debt strategy blocked African calls for faster and deeper debt relief at the 8-10 October annual meeting of the International Monetary Fund and World Bank in Washington. Amid growing fears of a global financial meltdown, African finance ministers and central bankers had to struggle to get their concerns heard. Alongside such core issues as economic reform strategy, African ministers argued for more attention to be paid to the effects on their economies of Asia's financial crisis.

For many African countries, debt relief and post-war reconstruction credits were priority issues. African governments, along with anti-debt campaigners such as the Jubilee 2000 group, Oxfam and the European Network on Debt and Development (Eurodad), argue that the Heavily Indebted Poor Countries Initiative (HIPC) is too slow and limited in scope. Under normal HIPC terms, debts may be cancelled only after a six-year (or more) qualification period.

Asian crisis's impact on Africa page 16

World Bank and AIDS page 9

Regarded by many as groundbreaking when it was introduced two years ago, HIPC has not lived up to the expectations of many African governments. Five African countries

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Japan Ministry of Foreign Affairs

Former Botswana President Sir Ketumile Masire addressing the Tokyo conference.

Japan International Cooperation Agency

Telecommunications is one of the areas covered by Japanese technical cooperation.

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Uncertain prospects for LDC growth

UNCTAD calls for measures to prevent further marginalization of poorest countries

By **Jacqueline Irving**

The prospects for sustaining the recent growth momentum of least developed countries (LDCs), especially in Africa, are "highly uncertain," according to the UN Conference on Trade and Development (UNCTAD) in its *Least Developed Countries 1998 Report*, released on 13 October. The report adds that strong LDC growth has not been accompanied by increased integration in the world trading system.

According to preliminary estimates in the report, gross domestic product (GDP) growth for the 33 African LDCs averaged 4.7 per cent in 1997, down from 5.3 per cent in 1996. In contrast, global output growth averaged 3.2 per cent in 1997 versus 3.0 per cent in 1996. UNCTAD attributes the solid economic performance figures for African LDCs in 1997 to prudent fiscal and monetary policies in many countries, some delayed effects of recent reform efforts and strong export demand from Europe and North America.

However, African LDCs' lack of export diversification renders many of them especially vulnerable to external shocks such as fluctuations in world commodity prices and the recent El Niño weather phenomenon. Commodity price falls and other contagion effects of the Asian financial crisis have already been felt by many African LDCs and these effects are expected to intensify in the coming year. The slowdown in demand from Asia (the fastest-growing export market for African LDCs before the crisis hit) and the related global slowdown are expected to cause African export markets to contract. Inbound investment and aid flows also are expected to slow significantly. Risks of policy reversal and the threat of armed conflict in many countries are other factors that could jeopardize the sustainability of recent strong performance.

In spite of the solid economic growth achieved as a group in recent years, LDCs' relative share in world production and trade has remained small (see table). LDCs accounted for just 0.9 per cent of total world output in 1996, up a negligible amount from an average 0.7 per cent in the 1985-96 period. The share of LDCs in world exports and imports stagnated at an average 0.4 per cent and 0.6 per cent respectively in the 1991-96 period, as compared with an average 0.5 per cent and 0.7 per cent respectively in the 1985-90 period. Their integration into world trade has actually declined in the last decade relative to that of other developing countries.

Limited LDC participation in WTO

African LDCs risk being further marginalized in the multilateral trading system if they fail to implement their World Trade Organization (WTO) agreements effectively. The provision of "technical assistance programs to enhance the participation of LDCs in the multilateral trading system" is, therefore, among the "priorities for the international community in the immediate future," says UNCTAD Secretary-General Rubens Ricupero in the report's foreword.

To facilitate LDC participation in the WTO, UNCTAD recommends making certain provisions in the trade agreements more "LDC friendly." For example, the report acknowledges a need for flexibility with regard to staple foods and disciplines on domestic support.

UNCTAD also urges LDCs to improve their ability to define their own interests in the international trading system in order to better prepare themselves in advance of new negotiations.

LDCs will face a major challenge in future as issues of strategic importance for them, notably on trade in agriculture and services, come up for negotiation. In view of the fact that the agriculture sector accounts for some 40 per cent of LDCs' total output, the agriculture negotiations involve high economic stakes. The report highlights trade in services as another area holding significant new opportunities for LDCs.

Many of those LDCs that have joined the WTO are not equipped to cope with the resource-intensive processes that membership entails, UNCTAD says. A lack of the necessary legal, administrative and communications infrastructure and a poor understanding of membership commitments are some of the obstacles to fulfillment of those commitments.

For example, many LDC members of the WTO have encountered special difficulties in setting up institutions to carry out certain watchdog functions and in formulating procedures and enacting legislation, as mandated by WTO agreements. While acknowledging that these difficulties tend to stem directly from insufficient human and financial resources, Mr. Ricupero warns that delays in establishing these institutions and processes may prove even more costly.

UNCTAD emphasizes that the 19 LDCs that are not members of the WTO will continue to miss out on opportunities if they remain outside. "Membership of WTO allows countries to design their development strategies and trade policies in a more predictable, transparent and stable environment," states Mr. Ricupero. "It also allows them to advance their trade and economic interests through effective participation in multilateral trade negotiations, thereby obviating the need for a series of bilateral trade agreements with trading partners."

Mr. Ricupero acknowledges the "exceptionally heavy burden that the accession process imposes on the limited human and institutional capacity of LDCs," and he proposes a review of the process that would result in a reduction of the obligations "without compromising the transparency and integrity of the WTO multilateral rules and disciplines." He views expediting the accession process as an important step toward ensuring full LDC integration in the world trading system — a prerequisite for a "truly global framework for the management of the world economy." ■

Share of LDCs in the world economy (1985-96; %)

	1985-90	1991-96	1994	1995	1996
Share of LDCs in world					
Output	0.7	0.7	0.8	0.8	0.9
Exports	0.5	0.4	0.4	0.4	n.a.
Imports	0.7	0.6	0.6	0.6	n.a.
FDI inflows	0.4	0.6	0.4	0.3	0.5
Share of LDCs in the developing countries'					
Output	4.2	3.9	3.9	4.1	4.1
Exports	2.1	1.4	1.4	1.3	n.a.
Imports	3.5	2.3	2.2	2.1	n.a.
FDI inflows	2.2	1.8	1.1	1.0	1.5
Net financial inflows	17.9	10.9	9.6	9.9	7.4
Net ODA inflows	29.0	26.3	26.5	27.6	24.3

n.a.: not available

Source: UNCTAD, Least Developed Countries 1998 Report

Empowering the poor at the local level

UNDP honours women battling poverty in their communities

By **Jacqueline Irving**

Ms. Edith Wakumire of Uganda was one of five women honoured for poverty reduction work at the local community level during a United Nations Development Programme-sponsored awards ceremony on 16 October to commemorate the International Day for the Eradication of Poverty. The other four winners of UNDP's global annual award were Miyasser Al-Saadi (Jordan), Fatima Bee (India), Sonia Beltré (Dominican Republic) and Nicole Rouvet (France).

Orphaned at the age of 12 in a society that placed little value on females going to school, Ms. Wakumire nevertheless overcame her deprivations to obtain a degree in education from Makerere University in 1979 and leadership training in HIV/AIDS counseling at the Haggai Institute in Singapore in the late 1980s. Determined to help other orphaned girls and women acquire the information and skills to improve their lives, she founded the Uganda Women Concern Ministry in Mbale in 1992.

The mission of the ministry is one of empowering the poor — particularly girls and women. Drawing on her training as a teacher and AIDS counselor, Ms. Wakumire has led the organization in educating some 400 orphans and other needy children and in providing counseling, home-care and income-generating services to some 500 families affected by HIV/AIDS.

The education of orphans and other needy girls is a priority issue for the ministry, Ms. Wakumire told *Africa Recovery*, stressing the cultural barriers faced by girls in Uganda. She lamented that "they leave school early because they become sexually active at a young age and are forced to marry early. Often, in the process, they get AIDS. Our statistics show that six girls for every one boy between the ages of 15 and 19 in Uganda get AIDS."

"This award is a much needed shot of adrenaline that will help increase our speed in the race against poverty."

— Ms. Edith Wakumire, one of UNDP's 1998 award winners for fighting against poverty at the local level

The ministry recently launched a programme that helps foster parents and guardians start small, entrepreneurial projects to enable them eventually to pay the school fees of the children in their care. Ms. Wakumire summed up the merits of the programme as "helping foster parents/guardians take care of themselves and their children and possibly also helping the children participate in their own welfare. In many cases, the foster parents/guardians are HIV-infected or have AIDS. When they become sick or die, at least the children are able to continue the projects we helped fund."

The Uganda Women Concern Ministry is now looking for external sources to assist in raising money to help fund local women's entrepreneurial projects, Ms. Wakumire told *Africa Recovery*. She envisages a programme that provides small amounts of money on varying terms to women in three different "need" categories.

"We would start by giving seed money [grants to start small entrepreneurial projects] to women who have absolutely nothing," she said. "There would be no benefit in giving loans to these women as they would not have the means to pay the loans back. At a later time, women in this group could approach us for additional funds in the form of no-interest loans. The second group would be women who have already started small projects but have very little money. The programme would give no-interest loans with lengthy repayment periods to women in this group to enable them to earn enough profit to comfortably make repayments. Finally, we would give low-interest loans to relatively well-off women running small businesses." Ms. Wakumire added that the ministry also plans to provide training to women in all three categories on managing money and running small businesses.

However, Ms. Wakumire mentioned that her organization's plans to expand its programmes are hindered by a funding shortfall. "As an example of how we're affected by the shortage of funds, we've been forced to give two cows to a group of 30 women instead of 15 cows to 30 women," explained Ms. Wakumire. "Obviously, it's like scratching the tip of the iceberg." ■

Ms. Wakumire encourages organizations interested in sponsoring these programmes to contact the Uganda Women Concern Ministry at P.O. Box 1820, Mbale, Uganda; Tel./Fax: (256) 45-34258.

Poverty eradication lags, says UNDP

Progress in eradicating poverty "falls far short of what is needed," observes the UNDP report *Overcoming Human Poverty*. Meanwhile, the poorest fifth of the population have become poorer: their share of total income fell from 5.7 to 5.2 per cent in the last decade.

The report, released on 16 October, is a mid-course follow-up to commitments made at the 1995 Copenhagen World Summit for Social Development, when 186 governments declared their determination to eliminate extreme poverty. While welcoming some signs of progress since 1995, the report notes that poverty has increased while resources have stagnated, at best. "Since the Social Summit we've seen the official development assistance go down every year," remarked Mr. James Gustave Speth, UNDP Administrator, at the launch of the report. "Even in the face of the emerging crisis in Asia, now spreading around the world, we don't see any increases."

The report also finds that many countries have not fulfilled the 1995 summit pledge to set concrete, time-bound targets for poverty eradication. Only half of the 42 African countries in UNDP's survey have set such targets. This lack of progress is worrying, "especially when the countries failing to take action, or even set targets, are often the poorest," says UNDP.

The report notes that income poverty — the proportion of people earning less than $1 per day — affects close to 40 per cent of the population in sub-Saharan Africa. Human poverty, a measure based on health and education standards, is also widespread, with more than 30 per cent of sub-Saharan Africans not expected to live beyond 40.

Debt and exports top Africa's agenda

High-level UN panel calls for harmonization of international initiatives

By **Mehri Madarshahi**

"I have not only continued to encourage African countries to assume greater responsibility for building durable peace and promoting sustainable development, I have also urged their development partners to provide the necessary support," declared UN Secretary-General Kofi Annan at the inaugural meeting of the reconstituted Panel of High-Level Personalities on African Development, held in New York on 15 October 1998.

Mr. Annan opened the meeting by noting the forum's role in providing a timely "opportunity for high-level experts of diverse background and experience, from Africa and other regions, to exchange views on development challenges and opportunities on the continent."

Drawing Panel members' attention to his recent report, *The Causes of Conflict and the Promotion of Durable Peace and Sustainable Development in Africa*, Mr. Annan urged the Panel to focus discussions on report recommendations concerning debt relief, market access and greater export capacity, and the harmonization of international and bilateral initiatives on Africa. To facilitate discussions, the Office of the Special Coordinator for Africa and Least Developed Countries (OSCAL) in the UN Department of Economic and Social Affairs prepared background papers on these issues.

UN / Evan Schneider

Some of the participants at the meeting of the UN Panel of High-Level Personalities on African Development, held in New York on 15 October. From left: Speciosa Wandira Kazibwe, Shinsuke Horiuchi, Ahmed Haggag, Frene Ginwala, and Hisham El-Sherif.

OSCAL's paper on Africa's external debt, echoed Mr. Annan's call for "more flexibility in the implementation of the Heavily Indebted Poor Countries Initiative (HIPC) so as to increase the number of beneficiary countries." Agreeing on the need to strengthen debt management capacity, the Panel discussed ideas such as the creation of an independent body to analyze debt sustainability, and clearer linkage of debt relief with poverty reduction.

Turning to the topic of Africa's access to export markets, the Panel noted the need to address the high and escalating tariffs imposed on Africa's major exports, such as agricultural products, textiles and clothing, and leather goods. Speakers affirmed the importance of building supply capacity to take advantage of market opportunities. Specific Panel recommendations on this issue included improvements to infrastructure, product packaging and marketing skills.

The Panel also urged more trade-related technical assistance to Africa to strengthen African countries' negotiating capabilities in the World Trade Organization.

Several speakers called for increased intra- and inter-regional trade. Toward this end, the Panel voiced support for regional infrastructure projects to lower transaction costs and facilitate Africa's integration into the global economy.

Panel speakers stressed the importance of harmonizing and coordinating the various international initiatives on Africa, guided by locally owned strategies to ensure added value and synergy. Among other proposals, the Panel recommended more effective coordination among bilateral and multilateral donors and within the UN system. The Panel said African countries and their partners should collaborate to set priorities and realistic targets and define respective responsibilities, while enlarging the role of civil society in the collaborative process.

Citing Africa's improved economic performance of recent years, several Panel participants expressed optimism about the continent's future as well as concern that the good results could be undermined by the effects of the global financial crisis. Underscoring the importance of holding the meeting at a time when Africa's recent economic gains risk being reversed, Mr. Poul Nielson, Denmark's Minister for Development Cooperation and the meeting's chairman, concluded by urging Panel members to prioritize African development issues on the international agenda, and to follow up, in their respective capacities, on the meeting's proposals. ■

Participants in the High-Level Panel meeting

Speciosa Wandira Kazibwe
Vice-President, Uganda

Frene Ginwala
Speaker, South Africa's National Assembly

Ablassse Ouédraogo
Minister for Foreign Affairs, Burkina Faso

Poul Nielson
Minister for Development Cooperation, Denmark

Shinsuke Horiuchi
Ministry of Foreign Affairs, Japan

John Vereker
Permanent Secretary, Department for International Development, UK

Cyril Enweze
Vice-President, African Development Bank

James Michel
Chairman, Development Assistance Committee, OECD

Hisham El-Sherif
Chairman of the Advisory Board, Cabinet Information and Decision Support Centre, Egypt

Anthony Lake
Georgetown University, Washington, DC

Kwesi Botchwey
Director, Africa Research and Programmes, Harvard Institute for International Development

Francis Deng
Senior Fellow, Brookings Institute

Ahmed Haggag
Assistant Secretary-General, OAU

James Gustave Speth
Administrator, UNDP

Nitin Desai
Under-Secretary-General, UN Department of Economic and Social Affairs

Rubens Ricupero
Secretary-General, UNCTAD

K.Y. Amoako
Executive Secretary, ECA

Callisto Madavo
Vice-President for Africa, World Bank

Maneuvering for peace in the Congo

African leaders and UN Secretary-General seek end to fighting

By **Peter Mwaura**

A group of African leaders have been participating in a series of negotiations aimed at reaching a peaceful settlement of the crisis in the Democratic Republic of the Congo. While the negotiations show there are no quick-fix solutions, the efforts are reshaping the prospects for peace in Africa's most explosive conflict, which has already embroiled eight other countries.

Involving a wide range of players, the negotiations aim to address the security concerns of all interested parties and the fundamental causes of the war, which flared up at the end of July. The war interlocks with other conflicts in the region, and the negotiations have tried to build on regional alliances and political groupings, even trade-offs, in the peace-making process.

"We Africans must summon the will to resolve our problems by political and not military means, for every day that we fail to do so, the innocent people of this continent pay a terrible price."

— Kofi Annan
UN Secretary-General

Durban 'mini-summit'

The negotiations began in early September with a "mini-summit" headed by UN Secretary-General Kofi Annan in Durban, South Africa. In that meeting, President Nelson Mandela was mandated to take the regional lead in negotiating an end to the conflict in the Congo.

Running parallel to the summit of the Non-Aligned Movement (NAM), the "mini-summit" took the form of a series of individual and collective meetings the UN Secretary-General had with a number of the key players and power-brokers in the region. Among the meetings was a working breakfast for heads of state of the Southern African Development Community (SADC). Organization of African Unity (OAU) Secretary-General Salim Ahmed Salim participated and, along with Mr. Annan, played a key role in moving the peace process forward. Mr. Annan and Mr. Salim have since continued to be involved in the peace efforts.

The Durban talks centred on efforts to work out a peaceful solution to the crisis, including a proposal for a peacekeeping force. At that initial stage, both Mr. Salim and Mr. Annan firmly put their weight behind the SADC approach for a negotiated settlement. Mr. Salim said the aim of the talks was to reach a cease-fire agreement that would not only insure the continuation of President Laurent Kabila's government but also bring about democratic reforms.

Upon arrival in South Africa on 1 September, the UN Secretary-General had said it was important to get all participants in the Congo conflict to the negotiating table. He called for a negotiated settlement, which would allow for all foreign troops to be withdrawn, followed by national reconciliation and democratization, including elections. In the plenary of the NAM summit on 2 September, Mr. Annan said amid sustained applause from some 60 heads of state and government: "We Africans must summon the will to resolve our problems by political and not military means, for every day that we fail to do so, the innocent people of this continent pay a terrible price."

Mr. Annan was determined "to find a way of getting everybody to talk" and the presence of the key leaders involved in the fighting in the Congo provided him with a good opportunity to broker peace. President Mandela has since taken the centre stage by initiating and hosting a series of meetings, with Mr. Salim present at all the major ones. The UN Secretary-General's Special Envoy in Africa Mohamed Sahnoun, his Assistant Secretary-General for Political Affairs Ibrahim Fall, and his Special Representative for Angola Issa Diallo took part in the Durban meeting, and Mr. Fall has since attended all the major meetings, as part of the UN delegations, which include military advisers.

The groundbreaking summit of SADC defence and foreign ministers held on 26-27 October in Lusaka was one of the outcomes of the far-reaching efforts made by the regional leaders, the OAU and the UN to reach a peaceful settlement of the Congo crisis. Opening the meeting, Zambia's President Frederick Chiluba said: "Regional leaders are convinced that violence is not the solution to the problem in Congo. The solution lies in a quiet and reasoned settlement of pertinent issues."

President Chiluba went on to say that the meeting would determine whether Africans had the political will and determination to end the war. "Congo is an African problem which must be resolved by African people using African expertise, experience, resources and acumen," he said.

Although the meeting failed to reach a cease-fire agreement, it facilitated formal consultations with the rebel leaders, who until then had been excluded, despite their presence at the second summit of regional leaders held on 6 September in Victoria Falls, Zimbabwe. The Lusaka meeting also brought out the complexity of agreeing on a cease-fire. While eight countries are reportedly actively involved in the fighting, only three — Angola, Zimbabwe and Namibia — had publicly admitted to it.

The boundaries and names shown on this map do not imply official endorsement or acceptance by the United Nations.

Obviously, parties cannot sign a cease-fire unless they first admit they are involved in the fighting. Thus the meeting was unable to broker a cease-fire, although it produced a "draft cease-fire accord" and a "mechanism" for rebel involvement in the implementation of a cease-fire. It also asked President Chiluba, designated as a "neutral chairman" by SADC, to continue regional consultations on how to end the war.

Rwanda was specifically accused by some participants of obstructing a cease-fire agreement by refusing to admit it was involved in the

fighting. But 10 days later, in a meeting with President Mandela in Pretoria, Rwandan Vice-President Paul Kagame acknowledged that his troops were helping the rebels in the Congo, thus paving the way for a possible cease-fire. "It is a welcome move and it will help push the peace process forward," President Chiluba said.

The Congo crisis has the potential of becoming a conflagration that could engulf all of Central Africa. Moreover, as Mr. Salim said at the Lusaka meeting, if the confrontation is not ended, it would jeopardize efforts being made to find solutions to the continent's other critical problems and would represent another collective indictment on Africans.

The regional leaders' approach has been reinforced by the UN Security Council, which on 22 October called for "an immediate cease-fire, the withdrawal of all foreign forces and the initiation of a peaceful process of political dialogue with a view to national reconciliation." Furthermore, the Council stressed the urgency of addressing humanitarian needs and ending human rights violations in the affected areas.

The Council reiterated the call on 5 November and emphasized the sovereignty and territorial integrity of the Congo and other states in the region. In a statement, Council President Peter Burleigh of the US stressed that no sustainable solution can be achieved through military means. "Council members welcome regional efforts to seek a peaceful solution to this conflict, including the important steps taken in Lusaka to involve all parties in the mediation talks," he said.

In addition, the US played a supportive role in the African peace efforts. US Assistant Secretary of State for African Affairs Susan Rice undertook a week-long visit to Africa from 27 October, during which she held talks with some of the key players in the negotiations, including the leaders of Congo, South Africa, Zambia, Zimbabwe, Rwanda and Uganda.

The search for an African-brokered peace has also brought to the fore the intimate relationship between social justice, material well-being and peace. Mr. Salim, for example, told the Security Council on 24 September that international efforts to promote peace and stability should not ignore the magnitude of the socio-economic problems confronting Africa.

Mr. Annan himself has emphasized the importance of social and economic equity in the quest for a durable peace. His widely acclaimed report, *The Causes of Conflict and the Promotion of Durable Peace and Sustainable Development in Africa*, has fully articulated a holistic approach to peace building in Africa.

In a meeting with his "think tank" of high-level personalities on African development on 15 October, he said, "I strongly believe that long-term solutions to conflict situations in Africa require a comprehensive approach linking peace, security, good governance, respect for human rights and the rule of law, and sustainable development." ■

Angola: the 'syndrome of the finish line'

The new UN Secretary-General's Special Representative to Angola, Mr. Issa Diallo, has taken on an enormously complicated mediation effort. "This is the worst period for a mediator," Mr. Diallo told *Africa Recovery*. "The warring parties have adopted new strategies and do not want to listen to any mediator."

Arriving in Luanda towards the end of August, he found the UN-brokered Lusaka Protocol peace accord stymied by lingering mistrust, with an all-out war looming due to the inability of the government and the rebel movement UNITA to reach agreement on many fundamental issues. Four years after the signing of the peace accord, UNITA still refuses to yield control of its key strongholds, accusing the government of human rights abuses in areas already handed over. The government, on the other hand, claims UNITA leader Jonas Savimbi still wants to take power by force of arms and has troops hidden in the bush.

UN / J. Isaac

Issa Diallo: trying to save peace process.

As the two sides blame each other for the failure to implement fully the political and military clauses of the 1994 peace accord, fighting has intensified and both sides continue to prepare for a possible full-scale war.

Disarming the UNITA military machine is the underlying problem of the peace process. The rebel movement has been accused of providing insufficient information about its troop strength and demobilization. Mr. Diallo says there is speculation that UNITA has around 30,000-50,000 troops, although it had declared full demobilization on 6 March.

Compounding the problem, the MPLA government has broken off all contacts with Mr. Savimbi and has recognized the UNITA Renovation Committee — a splinter group of the UNITA leadership — as "the only legitimate interlocutor for the implementation of the Lusaka Protocol." UNITA's leadership in its central highlands headquarters in Bailundo, however, insists that it remains the legitimate partner in the peace process.

A UN career diplomat appointed to continue the work of Mr. Alioune Blondin Beye, who died in a plane crash on 27 June, Mr. Diallo describes the Angolan standoff as "the syndrome of the finish line" in which runners get nervous, excited and impatient. "I have hope they will come to the finish line because there is no other way. The Lusaka agreement is still the shortest way to peace, still the least expensive."

He says that the MPLA government has grown impatient and has made it clear that it will resort to force to implement the peace plan. "The government has said that Mr. Savimbi must abandon his ambition of taking power by force. That means that he must abandon his weapons, hand over territory, and come and join the club of the democratic institutions."

Mr. Diallo recently sought to see Mr. Savimbi in his central highlands headquarters and had an appointment for 21 September, but a government representative declined to provide any security guarantees to Mr. Diallo and even warned him that the government would cease all contacts with the Special Representative if he undertook the trip. Mr. Diallo, who stresses the importance of remaining in talks with the UNITA leader, then requested an audience with President Jose Eduardo dos Santos for further consultations.

"Even if there is a chance out of one million to bring peace by talking to Savimbi, I will do it," he said. "What we need now is to work on all ways and means to talk to Savimbi, in a very short period of time and to convince him that the best road to peace is toward the implementation of the Lusaka Protocol. Mr. Savimbi should understand that the solution to the Angolan problem is not a military solution, it is a political one."

Mr. Diallo also wants both the government and UNITA to understand that the UN "cannot advocate the use of force" and that "this is not a war to be won at any cost."

The peace process is facing "a very difficult period," says the UN envoy, but "something has to be done to bring Mr. Savimbi back on track, without conditions, without delay."

New world court targets war crimes

Will the International Criminal Court meet Africa's expectations?

By **Paul J. Magnarella**

After 50 years of effort, the international community on 16 July endorsed the creation of a permanent International Criminal Court (ICC). This historic step took place in Rome at the end of a five-week UN conference, by a vote of 120 for, 7 against and 21 abstentions. Of all African countries, only Libya voted no. It was joined by Iraq, Qatar, Israel, Yemen, China and the US.

The Court is designed to bring to justice those who commit genocide, war crimes, crimes against humanity, and aggression (to be defined later by a special law commission). In order for the ICC to become a reality, its statute, officially entitled the "Rome Statute of the International Criminal Court," must be ratified by 60 states. Ratification by the world community appears likely. As of 9 October, 19 African states had become signatories to the Court's statute, thereby demonstrating their intention to ratify it.

Punishment of genocide

In February 1998, the representatives of 25 African countries, along with delegates from a number of African and international non-governmental organizations, met in Dakar, Senegal, to discuss the kind of ICC they wanted. They issued the Dakar Declaration, calling for a court that would be independent of the UN Security Council or any other political body, that would be fair and effective, that could prosecute major criminals when national courts prove unable or unwilling, and whose statute would guarantee the rights of suspects, defendants, and witnesses. At the closing ceremony, Senegal's then Prime Minister Habib Thiam said that Africa needs a court that can deter and punish genocide and crimes against humanity, since these are major human tragedies and obstacles to Africa's economic and social development.

The Rome Statute meets most of the African demands. The Court's jurisdiction will extend to war crimes committed in both international and internal armed conflicts. It offers the protections of the Geneva Conventions to combatants and prisoners of war, but also addresses the security needs of civilians.

Paul J. Magnarella, who teaches at the University of Florida, has served as an expert for the UN Criminal Tribunal for the Former Yugoslavia and a researcher for the UN Criminal Tribunal for Rwanda.

Currently, a number of African countries are experiencing the ravages of war. Amnesty International maintains that such conflicts often are accompanied by "appalling human rights violations," with little accountability for the abuses and with perpetrators able "to act with impunity." An effective ICC can help bring an end to such impunity.

Africa needs a court that can deter and punish genocide and crimes against humanity.

The Rome Statute criminalizes attacks on civilians, rape, and the recruitment of children under 15 years into militias. It prohibits genocidal attacks intended to destroy, in whole or in part, a national, ethnic, racial or religious group. It defines a crime against humanity as any systematic attack against any civilian population, including murder; enslavement or forcible population transfer; imprisonment; torture; rape, sexual slavery, enforced prostitution, forced pregnancy, enforced sterilization, or any other form of sexual violence; and other inhumane acts intentionally causing great suffering or serious injury to mental or physical health.

The war crimes listed in the Statute include destroying or seizing the enemy's property unless imperatively demanded by the necessities of war; denying members of the hostile party due process; compelling nationals to take part in operations of war against their own country; pillaging civilian settlements; employing poison or poisoned weapons; employing weapons that cause unnecessary suffering; and committing outrages upon personal dignity. Genocide and crimes against humanity are currently being prosecuted by the UN Criminal Tribunal for Rwanda, located in Arusha, Tanzania.

Limits to jurisdiction

Unfortunately, the Statute permits a ratifying state to declare that it will not accept the jurisdiction of the Court for a period of seven years with respect to war crimes committed by its nationals or on its territory. Otherwise, the Statute permits no reservations. Ratifying states must accept it in its totality.

Although the Court will not be fully independent of the Security Council, it will have a degree of autonomous jurisdiction. The Rome Statute offers a two-track system for triggering investigations and prosecutions.

Under track one, the Security Council, acting under Chapter VII of the UN Charter, can refer situations that threaten or disrupt international peace to the Court for investigation. All states would be bound to comply with court orders for evidence or the surrender of indicted persons, and court orders could be enforced by the Security Council through embargoes, freezing the assets of leaders and supporters, and the use of force. This track would most likely be utilized in conflicts similar to those in former Yugoslavia or Rwanda.

Under the second track, situations would be referred to the Court by individual countries or the ICC Prosecutor. This track, which relies on the good-faith cooperation of the parties to the Court's Statute, has a number of restrictions attached:

- The Court's jurisdiction would be based on a concept known as "complementarity," meaning the Court could act only when domestic authorities of the countries involved are unable or unwilling to prosecute.
- Either the state in which the crime was committed or the state of which a national allegedly committed the crime must be a party to the treaty or have granted its voluntary consent to the Court's jurisdiction. However, the ICC can exercise jurisdiction over the nationals of states that are not parties if they have allegedly committed crimes in a country other than their own and if that country decides to turn the suspects over to the Court.
- The Security Council may vote to postpone an investigation or case for up to 12 months, on a renewable basis, as long as no permanent member vetoes such a postponement.

These restrictions have disappointed many backers of the ICC. Despite its perceived shortcomings, however, they believe the proposed ICC is a solid beginning. Seven years after the ICC Statute comes into force, the ratifying states can amend it and hopefully improve the Court's ability to deal with changing times and crises.

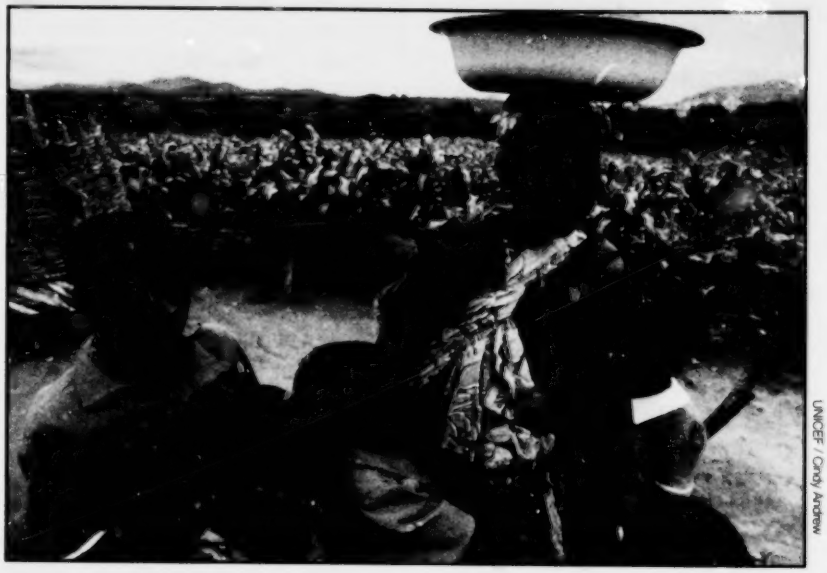
At the signing ceremony in Rome, Angola's Minister of Justice Paulo Tchipilica, expressing his deep concern over the civil war in his country, stressed the need to punish perpetrators of war crimes. He implored the Rome delegates to make the ICC effective. ■

Governments urged to lead AIDS fight

AIDS must move to the centre of development agendas

By ***Peter Mwaura***

In response to the latest grim statistics revealing the devastation wreaked in Africa by the rapid spread of the HIV/AIDS epidemic, the World Bank, the largest source of external finance for AIDS programmes in developing countries, has called on African governments to adopt a multi-pronged approach in the struggle to arrest the spread of the disease. African leaders, the Bank says, should be at the forefront and move the fight against HIV/AIDS to the centre of development agendas, gearing prevention programmes to reach young people in particular.



UNICEF / Cindy Andrew

Maritas Shaba, a Malawian villager with grandchildren whose parents died of AIDS. More than 90 per cent of the 9 million children worldwide who lost their mothers to AIDS are in sub-Saharan Africa.

World Bank Vice-President for Africa Callisto Madavo announced the new approach in June at the Twelfth World AIDS Conference in Geneva, following a January meeting at the Bank on the demographic impact of HIV/AIDS. Statistics released at the January meeting revealed dramatic declines in life expectancy attributable to HIV/AIDS in many African states and the devastating impact of the disease on development.

According to the Bank's HIV/AIDS co-ordinator, Ms. Debrework Zewdie, governments should "take HIV/AIDS into consideration in formulating all development policy — whether it concerns infrastructure, education, or agriculture." This new perspective emerged from the growing realization that AIDS threatens to reverse socioeconomic gains in much of Africa.

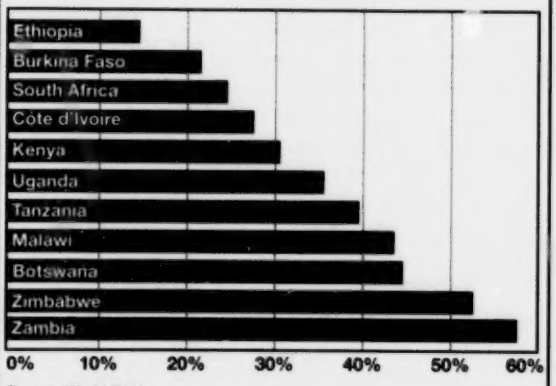
"All of the progress of the last 20-30 years on the development front in Africa is now in jeopardy," Dr. Zewdie told *Africa Recovery*. "This led us to conclude that AIDS is no longer an issue for the health agenda alone. It is an issue that cuts across the entire development agenda. So in line with the new vision adopted by the Bank, as well as our partners within UNAIDS [Joint United Nations Programme on AIDS], we are urging African governments to create a policy environment which encourages the active participation of NGOs, civil society and the international community in the fight against this scourge."

Dr. Zewdie attributes the spread of the epidemic in Africa largely to the lack of serious policy attention on the part of governments and development agencies. "Policy responses have not changed significantly since the mid-1980s. As a result, the epidemic has gotten out of hand," she said.

For example, in 1985/86 there were only five reported AIDS cases in Ethiopia; in 1997 Ethiopia reported over two million cases. In 1994, only five African countries reported that more than 8 per cent of the general population was infected by the HIV virus; by 1997, as many as 21 countries reported infection levels afflicting more then 8 per cent of the population.

Crowded national agendas are one obvious reason why governments have been unable to respond adequately to the crisis. Numerous, more visible and seemingly more immediate problems compete for the attention of policymakers. "If I talk to a leader of an African government today, I try to put this epidemic in perspective by telling him, for example, that literally 10 years from now he will lose half of the country's teachers to AIDS. However, the next person meeting with him might quickly divert his attention with news of the more immediate and visible effects of the most recent flood, drought or cholera epidemic. And unfortunately those issues take precedence in the minds of policymakers. Also, as politicians with limited office terms, it is natural for them to adopt a short-term perspective in policymaking, priori-

Lifetime risk of dying of AIDS



Source: World Bank

The mortality toll from HIV/AIDS will be much more devastating than earlier anticipated, according to the 1998 Revision of the official UN world population estimates and projection. In the 29 African countries with the highest HIV/AIDS prevalence rates, average life expectancy at birth is now estimated at 47 years — seven years below what it would have been in the absence of AIDS.

Estimates of adult HIV infection in sub-Saharan Africa
(end of 1997)

Country	Adults (15-49) living with HIV/AIDS	% of adult population
Zimbabwe	1,400,000	25.84
Botswana	190,000	25.10
Namibia	150,000	19.94
Zambia	730,000	19.07
Swaziland	81,000	18.50
Malawi	670,000	14.92
Mozambique	1,200,00	14.17
South Africa	2,800,00	12.91
Rwanda	350,000	12.75
Kenya	1,600,000	11.64
Central African Rep.	170,000	10.77
Djibouti	32,000	10.30
Côte d'Ivoire	670,000	10.06
Uganda	870,000	9.51
Tanzania	1,400,000	9.42
Ethiopia	2,500,000	9.31
Togo	160,000	8.52
Lesotho	82,000	8.35
Burundi	240,000	8.30
Congo Rep.	95,000	7.78
Burkina Faso	350,000	7.17
Cameroon	310,000	4.89
D.R. of Congo	900,000	4.35
Gabon	22,000	4.25
Nigeria	2,200,000	4.12
Liberia	42,000	3.65
Eritrea*	49,000	3.17
Sierra Leone	64,000	3.17
Chad	83,000	2.72
Ghana	200,000	2.38
Guinea-Bissau	11,000	2.25
Gambia	13,000	2.24
Angola	100,000	2.12
Guinea	70,000	2.09
Benin	52,000	2.06
Senegal	72,000	1.77
Mali	84,000	1.67
Niger	61,000	1.45
Eq. Guinea	2,300	1.21
Mauritania	5,900	0.52
Somalia*	11,000	0.25
Comoros*	400	0.14
Madagascar	8,200	0.12
Mauritius*	500	0.08
Reunion*	160	0.04

The estimates at left include all adults aged 15-49 with HIV infection (whether or not they had developed symptoms of AIDS) who were alive at the end of 1997. For countries marked with an asterisk (*), not enough data were available to produce an estimate of HIV prevalence for end-1997. For each of these countries, the 1994 prevalence rate was applied to the country's adult population to produce the estimates given in the table.

Source: World Health Organization

tizing those issues on which it's easiest to achieve progress while still in office," lamented Dr. Zewdie.

"All of us are to blame for the failure to engender that critical level of urgency through which HIV/AIDS becomes the issue to determine how the government is run. But because blame for past failures is not going to help us now in winning the battle against AIDS, we need to refocus our efforts."

Dr. Zewdie said that the Bank now plans to approach each African government and "challenge them" one by one to work with the Bank on its new initiative. "If two or three governments agree to work with the Bank on this new initiative, I will call that success because hopefully it will send a strong enough signal to their counterparts to begin to address the epidemic properly," she added.

Falling demand for AIDS funds

That signal seems to be necessary, as fewer governments are approaching the Bank for funding of HIV/AIDS programmes. Despite the epidemic's alarming growth rates, Bank lending for HIV/AIDS in Africa has declined drastically since 1995. The Bank's funding commitments for HIV/AIDS-related projects in sub-Saharan Africa fell steeply from $67 mn in 1994, to $48 mn in 1995, $2.3 mn in 1996 and $1.7 mn in 1997.

"The funding has been going down, not because the Bank is reluctant to lend, but because there are no new projects in the pipeline," Dr. Zewdie explained. "To my knowledge, no country that has requested funding for HIV/AIDS has been turned down."

"The falling demand for HIV/AIDS funds is a sign that African countries have become accustomed to the news of the epidemic, following a time of general panic in the early 1980s," Dr. Zewdie declared. "There is also a dangerous sense that the AIDS work now being done by NGOs is sufficient to arrest the disease. And that is part of the reason why the epidemic is spreading at such an accelerated rate."

However, the Bank expects demand for its HIV/AIDS funds to rise in the next three-to-four years as African leaders become increasingly alarmed by the epidemic and as heightened awareness of funding availability prompts more clients to turn to it for financial assistance.

The Bank has been involved in HIV/AIDS work since 1986 and has committed over $800 mn to more than 70 projects around the world aimed at preventing and controlling HIV/AIDS and sexually transmitted diseases (STDs). Nearly half of the funding allocated so far has gone to African countries.

The Bank's HIV/AIDS activities in Africa are always carried out in cooperation with other partners including UNICEF, UNDP, UNFPA, UNESCO and WHO. Currently there are five projects dealing specifically with HIV/AIDS in Burkina Faso ($15 mn), Chad ($5 mn), Kenya ($40 mn), Uganda ($50 mn), and Zimbabwe ($64.5 mn). Activities are also incorporated in other programmes, such as the sexually transmitted diseases and HIV/AIDS prevention component built into the $3.5 bn Chad/Cameroon oil pipeline project, which will take 30 years to complete and involve thousands of single and unaccompanied male construction workers and truckers. Another project for road construction in Mozambique provides HIV infection education and condoms to workers and local populations.

Bank funding for HIV/AIDS-related projects is provided as "soft loans" to low-income countries through the International Development Association. These credits are interest free and have maturities of 35 or 40 years with a 10-year grace period before repayment of principal is required. Borrowers are subject to a small service charge, currently 0.75 percent on undisbursed balances.

"The value of the money by the time it comes back to the Bank is really just 15 to 20 per cent of the amount originally loaned. Not many countries understand that 80 to 85 per cent of the amount loaned is actually a grant. We need to boost awareness of this," Dr. Zewdie said.

Dr. Zewdie stressed the commitment symbolized by a country borrowing from the Bank to combat the epidemic. "For me," she said, "whether a country has to pay back 15 per cent

or 20 per cent or even 1 per cent to the Bank, the act of taking out the loan to help fund work on HIV/AIDS is significant because of the policy commitment it symbolizes."

A main reason why the epidemic has spiraled out of control, according to Dr. Zewdie, is Africa's lack of progress in giving proper policy emphasis to preventive measures which have been known to work in some countries. Boosting public awareness is a critical aspect of prevention. In Thailand and Uganda, and to some extent Senegal, anti-AIDS education programmes have resulted in falling infection rates. But on the whole, African countries have not succeeded in achieving full public awareness of the risks of HIV infection. In fact, there is "not a single country that has cleaned up its blood supply system, or succeeded in treating classical STDs which costs so little compared to the sophisticated and expensive drug regimes in use in the developed countries," according to Dr. Zewdie.

"We need to focus on encouraging prevention, specifically among African youth before they become sexually active," she said

Part of the problem has been the way in which public information campaigns have been conducted since the early 1980s. "For the first couple of years, we were warning the African public that the death toll could number in the millions. Of course, that prophecy has not been realized and it has become more difficult to convince national leaders of the priority they must accord to communicating the devastating effects of AIDS."

The need to boost awareness is all the more critical in light of recent data showing that HIV prevalence among adults already exceeds 8 per cent in almost half of Africa. Yet a large number of people remain unaware that they are at risk of contracting the disease and lack information on how to protect themselves. Surveys show that only about half of Africans with non-regular sex partners mentioned using condoms as a means of protection.

Moreover, Dr. Zewdie believes that merely distributing condoms to at-risk populations is not enough. "It is not as simple as providing condoms and telling people to use them. For example, if you were to introduce this foreign instrument to many of the people living in my native, rural Ethiopia, they would not just accept it as easily as that. So we must ensure that we fully inform people of the importance of condoms in preventing the spread of AIDS. In areas throughout the world where the issue has been effectively communicated to the people, I do not know of a single population that has rejected this means of protection from early death."

"All of us are to blame for the failure to engender that critical level of urgency through which HIV/AIDS becomes the issue to determine how the government is run. But because blame for past failures is not going to help us now in winning the battle against AIDS, we need to refocus our efforts."

— Ms. Debrework Zewdie
HIV/AIDS Coordinator, World Bank

Miracle drugs are not the answer

At this time, the Bank favours AIDS prevention measures over the funding of miracle drugs that prolong life and reduce suffering in industrialized countries but may not be cost-effective in Africa.

Dr. Zewdie explained: "If you take into consideration that the Bank is a development agency, whose major objective is to alleviate poverty, together with the fact that these drugs can cost up to $60,000 per person per year and there are 21 million people today affected by this epidemic in Africa, then it becomes ridiculous to venture into something such as this. It is not going to be sustainable. It is not going to profit the poor, the group who should benefit from the Bank's work.

"Even if the drugs somehow were to be distributed free of cost, the infrastructure required by these sophisticated regimes is not in place in Africa. We have not even succeeded in administering malaria prophylaxis [preventive therapy] in Africa. So the Bank does not want to foster unrealistic hope. Having said that, science progresses rapidly and nothing about policy responses for the medium-term can be written in stone." ■

AIDS in Africa: grim facts

- With only 10 per cent of the world's population, Africa has 63 per cent of global HIV/AIDS cases. Today there are 21 million Africans infected with HIV/AIDS, and an average of more than 3,800 adults are infected with the virus every day in Africa
- Some 95 per cent of Africans infected with HIV/AIDS live in abject poverty, with no hope of obtaining the new miracle drugs that patients in developed countries use to combat the virus and lead comparatively normal lives.
- About 90 per cent of all HIV transmission in Africa occurs via heterosexual sex. This is 100 per cent preventable.
- An estimated 87 per cent of the world's children infected with the HIV virus live in Africa. More than eight million children in sub-Saharan Africa have been orphaned by AIDS.
- AIDS has lowered average life expectancy levels by as much as 10-17 years in some African countries. In hardest-hit Zimbabwe, AIDS has reduced life expectancy by more than 20 years.
- In the early 1980s HIV was found mainly in the swathe of territory stretching from West Africa to Eastern Africa; countries north of the Sahara and in Southern Africa apparently were untouched. Today, no part of the African continent is unaffected.
- AIDS has overtaken malaria and other diseases as the leading cause of death for adults between the ages of 15 and 49 in Botswana, Burundi, Malawi, Rwanda, Tanzania, Uganda, Zambia, Zimbabwe and in capital cities such as Abidjan, Addis Ababa, Nairobi and Ouagadougou.
- HIV infection has spread far beyond the original sub-populations with high-risk behaviour into the general population of as many as 19 African countries.
- Up to 50 per cent of hospital beds are occupied by HIV/AIDS patients in many parts of sub-Saharan Africa.

from page 1

are among the total of seven countries that have qualified for HIPC debt relief, out of 41 potential candidates. Calls for reform made by the African caucus of IMF and World Bank governors, along with a communiqué from the Commonwealth Finance Ministers issued just before the Bank/Fund meetings focused on the following areas:

- Eligibility criteria should be liberalized; the debt-to-export ratios (between 200 and 250 per cent) above which debts are deemed "unsustainable" are too high;
- The time frame is too long; debtor countries must adhere to IMF programmes for a minimum of six years (three years before the "decision point" and another three years to reach "completion point," after which actual debt relief occurs). Only Uganda and Bolivia have so far reached completion point;
- Eligibility is too rigidly linked to an IMF track record; after Ethiopia was declared "off-track" by the Fund in 1997, its debt relief was delayed and the same criteria now threaten Tanzania's chances of debt relief, given its uneven performance under IMF and World Bank programmes;
- Debt relief should be closely linked with poverty reduction. Poverty levels should help determine how much debt relief a country requires. The Bank and the Fund should do more to promote schemes such as Uganda's "poverty action fund," which channels the savings from debt relief into publicly monitored and audited social programmes;
- More flexibility for post-war countries: the Bank and the Fund now allow non-IMF reforms to be counted as part of a country's initial three-year track record, but war-ravaged countries still face long waits for debt relief; Rwanda would not be eligible to enter the HIPC initiative until 2000, and would then wait until 2003 for any debt relief.

While few officials at the annual meetings disputed Africa's moral case over debt, the major arguments were over the cost and structure of the relief mechanism. The IMF Interim Committee and the World Bank Development Committee agreed to extend HIPC until 2000 but did not approve any general liberalization of the eligibility criteria. These latest revisions to HIPC raise its cost by $2.4 bn to a total of $8.2 bn. Such figures are dwarfed by the more than $50 bn of rescue credits the Bank and the Fund have disbursed to East Asian countries this year, or the $4.5 bn disbursed to Russia in July alone.

African Finance Ministers on the Development Committee — Lesotho's Leketeke Victor Ketso, Côte d'Ivoire's N'Goran Niamien, and Morocco's Fatahallah Oualalou — all pressed strongly for HIPC reform but met major resistance on the issue of cost. Finance ministers from middle-income countries backed calls for liberalizing

Africa the fastest growing world region, IMF says

Amid the stampede of bankers and investors fleeing emerging markets in Asia and Latin America, Africa's economies were generally cushioned from the early effects of the international economic slowdown and credit crunch. But the current global financial crisis, widely considered as the worst in 50 years, is cutting more deeply into projected demand for commodities and hopes of African growth.

The International Monetary Fund's *World Economic Outlook* projects African gross domestic product (GDP) growth at 3.7 per cent this year, making Africa the fastest growing region in the world. The IMF projects growth in Asia at 1.8 per cent this year, while the Americas are forecast to grow at 2.8 per cent.

The Fund's downward revision of earlier projections suggests that commodity price increases, rather than successful changes in economic policy powered much of Africa's higher growth performance over the past five years. Nevertheless, IMF and World Bank economists insist that the growth has been stronger in "reforming" countries than "non-reform" countries and that the subsequent dips in GDP growth will be less severe among the reformers.

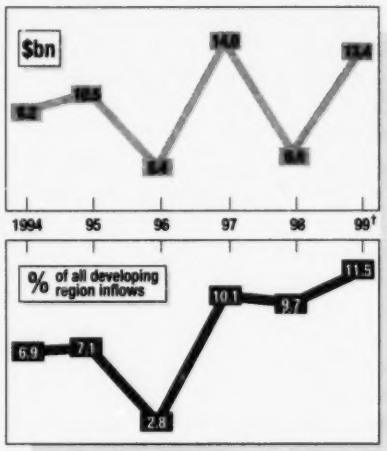
Overall, the IMF projects average consumer price inflation in Africa at 7.7 per cent this year, less than a fifth of the rate in 1994. Reflecting the global credit crunch, the IMF projects that net private capital flows to Africa this year will slump from last year's recorded level of $14 bn to $6.4 bn, before bouncing back to a projected $13.4 bn in 1999. This would push Africa's share of private capital flows to all developing regions from 9.7 per cent this year to 11.5 per cent in 1999. Bank and Fund officials say this reflects perceptions that compared to other emerging markets, Africa has become "relatively less risky."

The Fund's aggregate statistics emphasize a few major areas of concern, including the need for Africa's two largest economies, Nigeria and South Africa, to grow faster. Both of them face formidable obstacles: Nigeria has to counter the downward pressure of weaker oil prices and South Africa has to combat the effects of capital outflows, currency depreciation and lower commodity demand.

Another key concern is the African franc zone, where growth remains robust. After 1 January 1999, the CFA franc will be pegged to the single European currency — the Euro — rather than just the French franc. While IMF economists are still upbeat about franc zone countries maintaining their current pace of GDP growth under the new arrangements, several commercial banks forecast difficulties resulting from the CFA link to a "hard" Euro.

With France's GDP growth projected at 4 per cent and the French franc appreciating against the dollar in the current business cycle, some banks think the CFA franc may be linked at too high an exchange rate with the new Euro. The effects of this could put a brake on growth in Africa, as rival commodity producers in Asia benefit from more flexible exchange rate policies. While the CFA's linkage to the Euro may promote low inflation and fiscal rectitude in the zone's countries, this cannot compensate for the lack of exchange rate flexibility and constraints on economic growth, as world commodity demand remains weak.

Net private capital flows* to Africa



* *Foreign direct investment, portfolio investment, and other capital flows*

† *projection*

Source: UN Africa Recovery from IMF World Economic Outlook, *September 1998*

HIPC but did not want the Bank and Fund to pay for it from their general resources. Instead, they argued that the Paris Club of rich bilateral creditors should contribute most of the financing.

Rich countries are split about the future of HIPC. The most generous creditors have been the Nordic countries, the Netherlands and Switzerland, all of which have been pushing their fellow OECD members to contribute more to the HIPC Trust Fund to enable a widening of the initiative. Only three of the Group of Seven countries (Japan, Canada and Britain) have contributed to the Trust Fund at all. Japan, however, has since made encouraging noises concerning debt cancellation through grants to African least developed countries. But others (namely Italy, France, Germany and the US) have been reluctant to finance HIPC directly.

Despite these differences, the Bank was able to win enough backing at the meeting to launch another initiative for Africa's most fragile economies: a trust fund — similar to the HIPC fund — to help finance reconstruction in post-conflict countries. Current rules prevent the Bank and the Fund from lending to countries in arrears (which most post-conflict countries are).

The Bank's Post-Conflict Research Unit, under Mr. Nat Colletta, reports that six African countries in (or just out of) conflict — Central African Republic, Republic of Congo, Democratic Republic of Congo, Liberia, Somalia, and Sudan — were $4.3 bn in arrears to the multilateral financial institutions. In cases where the post-war government had demonstrated a "commitment to reform" without necessarily going through a formal IMF programme, the Bank proposes that the country's reconstruction efforts should be supported by grants from its net income and its soft-loan affiliate, the International Development Association.

In an internal paper on the initiative, the Bank suggests that the IMF could allow higher levels of emergency assistance than currently permitted. The Bank also asks the African Development Bank to help support the initiative, which would have to be approved at board level in all three institutions. While Bank officials say such approval would probably be obtained, the bigger difficulty would be to raise finance to implement it from bilateral and multilateral donors.

Some African countries will benefit more from lower oil prices than they lose from lower commodity prices, but the Fund expects one-third of the countries "to be net losers."

Echoes of the Asian crisis

Views differed on the impact of the Asian crisis on Africa. While several African ministers said that lower commodity prices would severely damage Africa's growth prospects, World Bank President James Wolfensohn said on 1 October that the direct effects would be limited because: "...you don't have huge amounts of capital flowing in and flowing out of Africa." The IMF *World Economic Outlook* argues that the restricted access of most African countries to international financial markets "has in turn limited the impact of the past year's market turbulence: the crisis in emerging markets has affected Africa mainly through commodity prices and trade." While some African countries will benefit more from lower oil prices than they lose from lower commodity prices, the Fund expects Africa as a whole, and about one-third of the countries "to be net losers."

However, some Fund and Bank officials worry that Asia's financial crisis will make economic nationalist arguments look more attractive in Africa, adding that although South Africa is the only African country to abandon capital controls, the Asian crisis could disrupt financial liberalization in Africa. But so far the policy reaction has been muted.

Ms. Maria Ramos, South Africa's Director-General at the finance ministry, told the Bank and Fund meeting that the country would continue with its programme of gradual financial liberalization. "We are getting confirmation that our policy course is on track," Ms. Ramos said after announcing that two rating agencies — Moody's Investors Service, and Duff & Phelps — had confirmed South Africa's rating as triple B and that Moody's had withdrawn its "negative outlook" caution on the country.

The government is on track for its target of cutting the fiscal deficit to 3.5 per cent of gross domestic product, despite the inflationary effects of the 20 per cent depreciation of the rand this year. While consumer price inflation may rise slightly to 7.5 per cent from the government's 5 per cent target, reserves have increased sharply to $9 bn, or 4 months' import cover.

Better news from South Africa and hopes that Africa's second biggest economy, Nigeria, would grow faster under the government of General Abdulsalami Abubakar have steadied some nerves in Africa. Both the South African and the Nigerian delegations arrived in Washington with substantial teams of commercial bankers and business executives banging the drum for foreign investment in the face of market jitters about Asia, and most other emerging markets. ■

Germany's Economic Cooperation and Development Minister Carl-Dieter Spranger and Economy and Planning Minister N'Goran Niamien of Côte d'Ivoire at the Bank/Fund meetings.

Consumption patterns must change,

By **Frehiwot Bekele**

There is nothing wrong with consumption, says the UN Development Programme's 1998 *Human Development Report*. In fact, consumption is essential for economic growth. But there is something very wrong with the great disparities in current consumption patterns.

Since 1950, the world's consumption expenditure has increased six-fold to $24 trillion in 1998. Of this, 86 per cent is accounted for by the richest fifth of the world's population, while the poorest fifth's share is only 1.3 per cent. At $200 bn, sub-Saharan Africa's 1995 consumption expenditures amounted to a mere 0.9 per cent of the $21.7 trillion global total. The average African household consumes 20 per cent less today than it did 25 years ago.

The report points out that the entire world population's needs in the areas of basic health and nutrition, water and sanitation, basic education, as well as women's reproductive health could be met with additional annual expenditures totalling $40 bn. This compares with the $50 bn and $105 bn Europeans spend annually on cigarettes and alcoholic drinks, respectively, and with global spending of $400 bn and $780 bn on narcotic drugs and the military.

Current consumption patterns also put too much strain on the environment, says UNDP, with the burden of environmental damage falling most heavily on the world's poorest. As a result of global warming, for example, harvest yields are expected to fall in the next century in Africa, South Asia and Latin America, while water shortages are expected to increase in sub-Saharan Africa, the Arab states and South Asia. A one-metre rise in sea levels could see Egypt and Bangladesh lose 12 and 17 per cent, respectively, of their land mass. Indoor and outdoor pollution causes 2.7 mn deaths annually, of which 2.2 mn result from indoor pollution caused by burning dung and wood for heating and cooking in developing countries, mostly in rural areas, the report says. Nearly half a million such deaths occur in sub-Saharan Africa.

Among the report's recommendations for achieving equitable and sustainable consumption are explicit government policies to attain food security, provide basic social services and encourage technological innovations in the use of renewable sources of energy and more productive agricultural techniques. ■

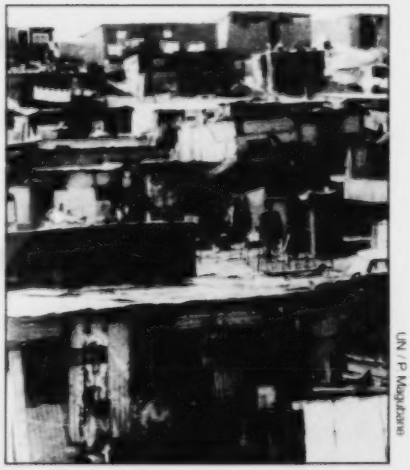
Half the world living in utter deprivation

The world's three richest people together own assets that exceed the combined gross domestic product of the 48 least developed countries. Meanwhile, almost 3 billion people live on less than $2 a day, totally excluded from the 20th century's boom in the consumption of goods and services. Too many people thus live in utter deprivation, the result, in part, of warped spending priorities at national and international level. Several African countries, for example, have to spend far more on debt service than on health and education.

UNICEF / Roger LeMoyne

World wide, 841 million people are malnourished. In sub-Saharan Africa, the only world region not to have seen a steady decline in malnutrition in the last three decades, the number of undernourished more than doubled from 103 mn in 1970 to 215 mn in 1990. With a sliver of an increase from 2,225 to 2,237 between 1970 and 1995, the average daily calorie intake in the region remains below the minimum requirement of 2,300. In developing countries as a whole, the average intake rose from 2,131 to 2,572 calories.

More than a billion people live in inadequate shelter, without piped water, electricity or roads. Between 30 and 60 per cent of people in developing countries live in illegal settlements, and around 100 million people are homeless.



UN / P. Magyarics

UNICEF / Anne Marie Gaudras

1.3 billion people (or 30 per cent of the population of developing countries, including 48 per cent of sub-Saharan Africans) have no access to safe water.

says Human Development Report

UN / Kay Muldoon

48 per cent of sub-Saharan Africans (and 880 million people world wide) do not have access to health services. The region has the highest under-five mortality rate in the world, and almost one in three of its people die before age 40.

UNICEF / Carolyn Watson

There are 885 million illiterate adults world wide, and 109 million of the world's primary-school-age children (22 per cent of the total number) are out of school. In sub-Saharan Africa, one out of three children does not reach grade 5, and 42 per cent of adults are illiterate.

UNICEF / Maggie Murray Low

2.6 billion people (nearly 60 per cent of the population of developing countries, including 55 per cent of sub-Saharan Africans) do not have basic sanitation.

UN / Evan Schneider

Africa lost 4 mn hectares of forest in the 1980s, while 494 mn hectares of soil has been degraded in sub-Saharan Africa in the 1990s. The world loses every year $42 bn of income due to desertification, of which Africa's loss is $9 bn.

Due to the lack of easy access to water, fuel and transport, rural women in developing countries spend six to eight hours a day fetching firewood and water.

UN

Nobel Laureate, UN pay tribute to creator of Human Development Report

Professor Amartya Sen, winner of the 1998 Nobel Prize for economics in recognition of his work on poverty and famine, recently hailed the legacy of the *Human Development Report's* architect, renowned Pakistani economist Mahbub ul Haq, who passed away in July. At a commemorative gathering held on 15 October at UN headquarters in New York, Prof. Sen, who collaborated closely with Dr. Haq on the *Human Development Report,* remembered his friend as "a visionary thinker whose work has brought about a major change in the assessment and accounting of the process of development." Prof. Sen recalled that when he and Dr. Haq were undergraduate students in economics at Cambridge University, his friend told him, "We must learn conventional economics, but not use it much ... because it doesn't concentrate on the right questions." When Sen inquired why bother to study the subject at all, the rejoinder was: "Nobody will listen to you if you don't know all this stuff very well. And who knows, the stuff may prove indirectly useful in answering even the right questions."

UN Secretary-General Kofi Annan, speaking of both Prof. Sen and Dr. Haq at the occasion, pointed out "what these two great South Asian economists have in common: the profound conviction that what matters in development is not quantities produced but the quality of life lived by human beings." He concluded, "It is with [Dr. Haq] that we most strongly associate the idea that governments should not focus simply on economic growth, but on expanding the range of choices available to ordinary people."

Among the other speakers at the gathering were senior UN officials including Mr. James Gustave Speth, Dr. Nafis Sadik, Mr. Nitin Desai, Dr. Richard Jolly and Mr. Maurice Strong. *F.B.*

Africa tenses for Asian aftershocks

Global financial crisis hitting African growth, exports and investment flows

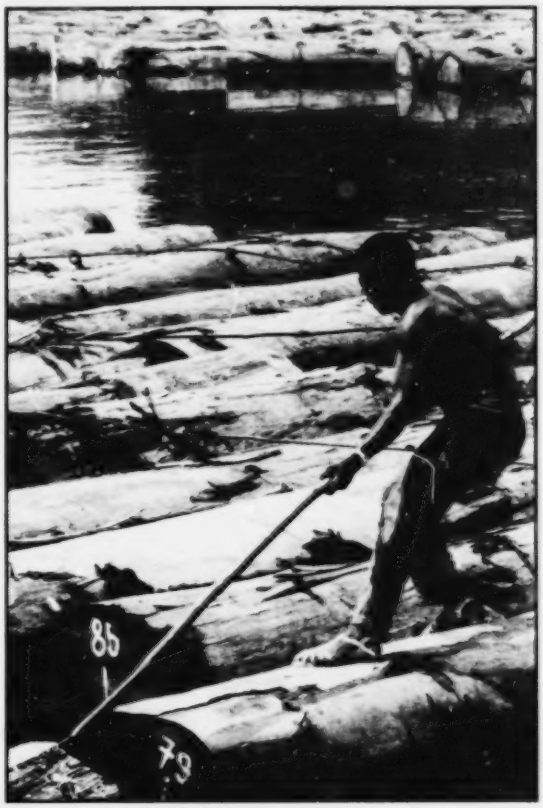
By ***Ernest Harsch***

The shock waves of the economic crisis that began a year ago in Asia — and are now threatening a global recession — have been taking a while to reach most countries in Africa, a continent not yet well integrated into global financial markets. But several African countries already have been hit by the immediate impact of the crisis, and many others are beginning to feel its more indirect effects, mainly through lower world commodity prices and shrinking export markets, along with reduced investment and other financial flows.

Ironically, because of the sharp economic slowdown elsewhere, the International Monetary Fund (IMF) predicts that Africa will be in the unprecedented position of experiencing more rapid economic growth this year than any other region, at around 3.7 per cent. But this is lower than it would otherwise have been. Mr. Alan Gelb, the World Bank's chief economist for Africa, told *Africa Recovery* that the Asian events were responsible for reducing the overall growth rate in Africa by about 1 percentage point this year, mainly through their role in dragging down world trade and growth. This conforms with the revisions in the IMF's projections for African growth, which are now a percentage point lower than its projection of 4.6 per cent earlier in the year.

Since May, the South African economy — the largest on the continent — has slowed down drastically, partially as a result of the Asian convulsions, South African Reserve Bank Governor C.L. Stals told shareholders in late August. He observed that "it is extremely difficult for any one of the smaller countries of the world to protect itself unilaterally against the vicissitudes of the evolving integrated world financial market system."

While most poorer African economies are less directly exposed than South Africa to unstable equity and financial markets, they nevertheless have been hit by other effects of the mounting global economic crisis. Already, exports to Asia of timber from Cameroon and Gabon and paper from Swaziland have plummeted, leading to retrenchments and plant shutdowns. The privatization of a Zambian copper mine fell through with the collapse of Asian financing commitments and the decline in the world copper price. Egypt's plans to issue its first Eurobond were postponed because of the volatility of international capital markets. Several countries that depend heavily on exports of oil, diamonds and other minerals have had to drastically cut their budgets because of the sharp drop in sales.



Timber and oil are major exports of Gabon, which has suffered serious trade losses due to the Asian economic crisis.

UN

"At the turn of the century, Africa is the most vulnerable of the continents to exogenous and persistent shocks," Mr. Befekadu Degefe, a senior economist at the UN Economic Commission for Africa (ECA), noted in July in a paper on the impact of the Asian crisis. Since then, as the turbulence has spread well beyond Asia, assessments of the world economy have grown ever more sombre. US President Bill Clinton, on 14 September, described the global economic instability as "the biggest financial challenge facing the world in a half-century," one which threatens "emerging economies from Latin America to South Africa."

From boom to bust

For a number of years, Asian economies were the fastest growing in the world. Development experts held up the "Asian model" of export-led growth, high levels of foreign investment, rising per capita incomes and highly competitive manufacturing industries, as examples for other developing regions to emulate.

The direct impact of this growth was felt far beyond the region itself. By the early 1990s, a few developing Asian countries began to provide substantial new sources of foreign investment for Africa, while industrialized Japan emerged as the biggest single donor internationally, and one of the top donors to Africa (see page 26). Perhaps most significantly, Asia, with

Impact of the Asian crisis on Africa

The impact of the Asian economic crisis and its global repercussions are being felt in Africa in both direct and indirect ways:

- A slowing down of overall economic growth, by about one percentage point in 1998 alone.
- Lower world commodity prices, hitting African producers of oil, timber, minerals and cotton particularly hard.
- The loss of key Asian markets for African goods.
- Stiffer trade competition from cheaper Asian exports of textiles and primary commodities.
- Greater reluctance of foreign investors to invest in African and other "emerging markets."
- More pressure on limited donor aid resources, as Indonesia and other stricken Asian countries become eligible for concessional financing.

its robust demand for industrial raw materials and other primary commodities, became an increasingly important market for African exports. According to figures from the UN Conference on Trade and Development (UNCTAD), between 1980 and 1994 African exports of agricultural materials to Asia grew by an annual average of 13.8 per cent, and of ores and metals by more than 16 per cent, many times higher than the overall growth in Africa's exports of those commodities (2.1 per cent and -3.1 per cent, respectively). By 1997, some 20 per cent of Africa's total agricultural exports and 13 per cent of its mining product exports were going to Asia.

The financial crisis that began to sweep Southeast Asia over the last half of 1997 saw the value of national currencies plummet, many businesses go bankrupt, banks left holding insolvent loans and foreign equity investors rapidly shifting out of the region: from a net inflow of $97.1 bn to Asia's emerging markets in 1996, the net outflow reached $12 bn in 1997 (with no net inflows predicted this year). The overall growth rate for the four worst-affected Southeast Asian countries was cut in half in 1997 and plunged to -10 per cent this year. Some other developing countries in Asia continued to have relatively high growth rates in 1997, and China reached 8.8 per cent, but virtually all exhibited some slowing down, a trend that has worsened in 1998. Japan, which has extensive trade and financial ties with both East and Southeast Asia, saw its growth fall to below 1 per cent in 1997, from 3.9 per cent the year before, and according to October IMF forecasts, will crash to -2.5 per cent this year.

Shortfalls in export earnings in 1998 due to price declines*

Country and commodity	% of total export earnings
Algeria (oil)	12.4
Angola (oil)	24.8
Cameroon (oil)	16.2
Egypt (oil)	5.9
Equatorial Guinea (wood)	9.9
Gabon (oil)	21.1
Gabon (wood)	4.6
Ghana (aluminium)	1.4
Nigeria (oil)	24.3
Sudan (cotton)	4.8
Tanzania (cotton)	2.7
Togo (cotton)	2.3
Zambia (copper)	25.5

* *Estimated, assuming 1997 export volumes*

Source: UN Africa Recovery from UNCTAD data

Shrinking Asian markets

In Africa, those few countries that traded most extensively with Asia felt the initial, direct impact of this crisis. Cameroon's state-owned timber exporting company, which sold 60 per cent of its logs to Asia, began confronting a slowdown in sales in December 1997; by July-August 1998, as unsold stocks mounted, it stopped purchasing more timber from domestic logging companies, leading to widespread layoffs of both loggers and transporters. Swaziland's Usutu Pulp Company, one of the four largest companies in the country, was forced to shut down in February and March because of a sharp decline in orders from Asia, which previously had taken about 90 per cent of Usutu's woodpulp production.

Botswana, which long has boasted budget surpluses thanks to its lucrative diamond exports, is now facing a budget deficit for the first time in 16 years. Mr. Lewis Nchindo, managing director of Debswana, the joint venture between the Botswana government and the South African-based De Beers diamond multinational, attributes this drop to declining diamond sales in Asia, especially Japan, the world's second largest consumer of diamonds. "Events in Japan are very serious," Mr. Nchindo says. According to the *Botswana Stockbroker* newsletter, total revenue for the 1998/99 fiscal year, originally projected at 3.5 bn pula ($820 mn), will fall short by 1 bn pula. Although the Botswana government has substantial savings and can easily cover a short-term budget deficit, overall economic

Africa needs greater public investment, UNCTAD argues

Africa's development cannot be left to highly imperfect markets, but must be supported by increased public investment, careful management of exchange rates, the targeting of credit on favourable terms to farmers and small and medium-sized enterprises, and a selective and gradual approach to trade liberalization, argues the UN Conference on Trade and Development (UNCTAD). Focusing extensively on both the Asian financial crisis and the cumulative experience of African development policies, UNCTAD's 1998 *Trade and Development Report*, released on 16 September, makes a strong appeal for tempering economic liberalization with more effective and far-sighted state action and regulation.

Contrary to some views of the origins of the current Asian crisis, which see it rooted in an outdated "Asian model" of development, UNCTAD believes that it was "the departure from the 'model' rather than its pursuit that is the main cause of the crisis." In several countries, the government relinquished control over the financial sector, leading to imprudent corporate borrowing and over-investment, which in turn left them vulnerable to external runs on their debt and attacks on their currencies.

While Africa's circumstances are different, UNCTAD nevertheless finds that in a number of African countries "the pendulum appears to have swung too far" toward financial market liberalization, bringing increased exchange rate instability. More fundamentally, notes UNCTAD Secretary-General Rubens Ricupero in his introduction to the report, the structural adjustment programmes adopted in many African countries have not brought sustained growth. Most mainstream assessments of Africa's growth prospects have been overly optimistic, he says, "because they have been based on an act of faith in growth-enhancing market forces, rather than on a careful examination of constraints and opportunities."

In particular, the report notes that adjustment has severely constrained imports and led to a sharp decline in investment, which as a share of gross domestic product (GDP) fell from an average of 25 per cent in the 1970s to just 17 per cent in 1995-97. Public investment bore the brunt of this impact, "but private investment has not, as conventional wisdom might suggest, stepped into the breach," the report says. Rather, "private investment requires complementary public investment in physical and human infrastructure." Therefore, UNCTAD argues forcefully for measures to increase such investment, especially in agriculture, alongside a range of other measures to stimulate production, improve export performance and expand trade and investment flows within Africa.

"After a decade or more of reform [in sub-Saharan Africa] premised on the assumption that government failures are far worse than market failures," the report observes, "the need for a different emphasis is now increasingly recognized, stressing the complementarity between the state and the market and promotion of the developmental state."

growth is nevertheless expected to fall, from 7 per cent in 1997 to 6 per cent this year.

Even African countries that do not export much directly to Asia have run into the problem of shrinking markets. Because economic growth in the European Union is projected to be about 0.5 per cent lower than initially anticipated because of the Asian economic crisis, North African manufacturers have found that European demand for their exports has been dampened. Tunisia, for instance, is expecting significantly weaker sales of its main exports: textiles and mechanical and electrical products.

Dim prospects for commodity prices

Partly due to the shrinkage of Asian markets, world primary commodity prices have suffered a year-long decline. Although the World Bank predicts that commodity prices probably will not fall much further, it does not see the prospects for a significant price recovery as very good. According to current Bank projections, it may take two years for non-oil commodity prices, which have fallen by 17.8 per cent from their 1995 levels, to begin to rise again.

For African economies, so heavily dependent on primary commodity exports, this is sobering news. As IMF Deputy Managing Director Alassane Ouattara, from Côte d'Ivoire, noted at a May 1998 seminar in Morocco on the Asian crisis, the decline in commodity prices will "affect growth and investment — even slowing progress in poverty reduction — especially in some African countries."

However, points out Mr. Gelb, the World Bank Africa economist, this impact is "very differentiated country-by-country, given the composition of exports." While African oil exporters have been hit very heavily, he says, exporters of cocoa, coffee and other beverage crops have been "doing quite well."

With the world price of oil falling during the first half of 1998 some 30 per cent below its level a year earlier, UNCTAD estimates that Angola and Nigeria have lost a quarter of their anticipated total export earnings, while Algeria, Cameroon and Gabon also have lost significant portions (see table, page 17). Lower oil prices, meanwhile, are good news for Africa's poorer economies, which now have to pay less for oil imports.

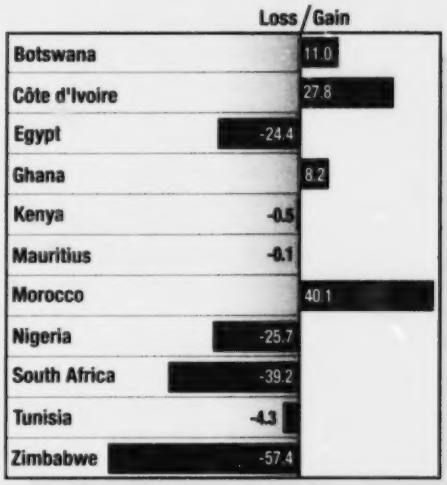
Gold, aluminium and other mineral prices have likewise slipped, while copper's price fell by 30 per cent between the first half of 1997 and the first half of 1998. This has struck Zambia at a particularly delicate moment as it tries to attract investors for its large copper mines; in January, a Canadian company pulled out of a deal to buy the Chambishi copper mine near Kitwe. Copper demand remains strong in Europe and the US, notes the World Bank, "but weak markets in Asia have put downward pressure on prices."

The world price of cotton reached a five-year low in May, partly due to the shrinkage of East Asian markets, but also because of China's emergence as a major cotton exporter, adding to the accumulation of world stocks. All African cotton producers have been affected, but this development has been especially discouraging for several francophone West African countries that have made major efforts in recent years to boost output. Burkina Faso, for example, nearly tripled its production of cotton between 1993 and 1997, but its actual earnings from cotton have lagged.

So far, beverage crop producers have not been seriously affected, with prices for cocoa and robusta coffee increasing over 1997 and 1998. Ironically, this is partly because of the civil unrest in Indonesia, a major producer of those two commodities. Similarly, palm oil prices have been higher in 1998, boosted by declines in production in both Indonesia and Malaysia.

African stock markets, % change in price indices*

December 1997-September 1998



*International Finance Corporation "investable price index", in US$

Source: UN Africa Recovery from IFC data

Japan International Cooperation Agency

Japanese expert demonstrating lathe operation: Asian crisis may put more constraints on aid resources.

Stiffer competition lies ahead

As Asian economies recover, their markets also will grow once again, giving a lift to commodity markets. This may take several years, however, and it remains unclear whether the "Asian tigers" will be able to resume their previous very high growth rates. Recovery, in any case, is likely to pose anew the problem for Africa of greater competition from Asian exports.

Because many Asian currencies have depreciated in value as a result of the financial crisis, their exports to the world market have become

much cheaper in foreign currency terms, making them more competitive with countries whose currencies have not been devalued. If such enhanced competition is combined with an overall slowdown in world trade, Mr. Gelb believes that it could pose a significant problem for Africa, threatening the slight increase over the last few years in the continent's share of the world market.

African producers of textiles, cocoa, rubber and palm oil will be most at risk from increased competition from cheaper Asian exports.

At a conference held in Abidjan, Côte d'Ivoire, in late September assessing the impact of the Asian crisis, experts from the ECA, UNCTAD, World Bank, and UN Industrial Development Organization (UNIDO) concluded that African producers of textiles, cocoa, rubber and palm oil would be most at risk from such Asian competition. UNCTAD believes that the greatest competition will come from Asian primary commodities, in part because Indonesia, Malaysia and Thailand are major world producers of rubber, palm oil, copper, wood, cocoa and other such products. But manufactures are also threatened.

Mauritius, one of sub-Saharan Africa's two main textile exporters (along with Kenya), has made significant gains in productivity and efficiency since the early 1990s through its export processing zones, with employment in its textiles, clothing and jewelry industries picking up markedly in 1997, after a three-year slump. In part, this was because Mauritian manufacturers were able to take advantage of cheaper Asian raw materials for their textile industries. But in the longer run, direct competition from China and Southeast Asia will intensify, making it harder for Mauritius to keep up.

This pressure also will be felt in African domestic markets, argues Prof. Paul Collier, Director of the Centre for the Study of African Economies at the University of Oxford. "As manufacturing globalizes and as Asian producers penetrate African markets, Africa could even lose the little manufacturing industry which it has," he wrote in a study early this year. "The recent currency crisis in Southeast Asia, for example, will result in substantially cheaper Asian manufactured exports to Africa."

New pressure on aid?

Greater competition may also come for limited aid resources. In some of the reports on the unfolding Asian crisis published in the African press, commentators noted the huge sums — around $125 bn — lent to Indonesia and other stricken economies in an effort to prevent their complete financial collapse. They wondered whether this might lead to a reduction in aid for Africa.

So far, development experts point out, the bulk of the financing provided to Asia — or currently contemplated to help shore up the Brazilian economy — has not come from concessional funds, so there has been little immediate depletion of the kind of development assistance that Africa normally receives. However, some add, the atmosphere of crisis, at a time of ongoing budgetary restraint in the main donor countries, does not make it any easier for Africa to prevent a further slippage in overall aid flows. Between 1994 and 1996, total net disbursements of official development assistance to sub-Saharan Africa fell by nearly 18 per cent, from $20.9 bn to $17.2 bn, and initial estimates indicate a continued decline in 1997 and 1998.

As countries such as Indonesia — with some 100 million people suddenly thrown below the poverty line — become newly eligible for concessional assistance, it will become even harder for Africa to maintain its share of overall aid disbursements, some analysts note. However, responds Mr. Gelb, while it is true "a few countries might drop into the concessional aid basket, other countries, like China, are being phased out."

Some investors flee

One of the chief features of the Asian calamity was the panic that gripped foreign investors, contributing to capital flight and a steep fall in share prices across the region. Since such portfolio investments are highly mobile, the "contagion" effect was soon felt in stock markets far from Asia. As UNCTAD notes, institutional investors tend to treat all "emerging markets" (in the developing countries and the former Soviet bloc) as a single category, so that expectations of losses in one market can quickly spread to others, regardless of local economic performance.

South Africa, which has the largest and most active stock market on the African continent, did not initially fall victim to the panic. The South African economy displayed numerous signs of recovery during the first four months of

Johannesburg Stock Exchange: hit hard by Asian financial contagion.

1998, and foreign investors poured R16.3 bn into South African bonds. But already jittery because of the Asian crisis, investors began to stampede out of South Africa in May following rumours about the dismissal of the Reserve Bank governor and an impending devaluation of the rand (both incorrect). Over the next three months they reduced their bond holdings by R12.4 bn. By end-September average prices on the Johannesburg Stock Exchange were down more than 39 per cent from the end of 1997, the exchange rate of the rand had depreciated sharply and economic growth slowed to a virtual standstill. The fall of the rand, in turn, contributed to currency depreciations and other financial turbulence in several neighbouring countries, such as Namibia.

African stocks still attractive

While a few of Africa's other larger stock markets also experienced steep dips (in some cases because of local economic or political factors), a number of the continent's smaller markets continued to perform well. Of the 11 African stock exchanges tracked by the World Bank's International Finance Corporation (IFC), four showed a rise in average prices through September, in a few cases dramatically (see graph, page 18). In August, Flemings Research, a London-based market analysis firm, reported that African stock markets, as a group, outperformed the IFC's overall index of emerging markets by 9 per cent since the beginning of 1998. If South Africa were excluded, the figure would go up to 18 per cent.

It is unclear whether such buoyancy will continue. Some analysts believe that investors disillusioned with Asian markets may look with even greater interest at the new opportunities offered in Africa. Although international portfolio flows to Africa are small by global standards — just $2.6 bn in 1997, or 6.4 per cent of the total to all developing countries — they nevertheless have been growing rapidly; before 1992 there were no such flows to sub-Saharan countries other than South Africa. But other experts feel that many investors will become more wary of emerging markets in general. In any case, some add, Africa's stock markets are likely to be influenced more by local conditions, especially political stability and economic policy performance, than by external capital swings.

Investors disillusioned with Asian markets may look with greater interest at Africa, although many have become more wary of emerging markets in general.

More significant for Africa are inflows of foreign direct investment, which, according to IMF figures, reached $7.7 bn in 1997, up from $5.3 bn the year before and from a meagre annual average of $1.1 bn during 1984-89. By their nature, such investments are less volatile than those in equity markets, and therefore more immune to the kind of sudden panics that hit Asia or the Johannesburg Stock Exchange.

Asia's crisis, however, may be felt here as well. Since the early 1990s, several Asian countries have emerged as major investors in Africa, with companies from the Republic of Korea investing $214 mn in various African ventures between 1992 and 1995, and Malaysian firms putting in $126 mn from 1992 through 1996. Officials of the Korean enterprise Daewoo have assured that its planned investment of $500 mn in Morocco over the next five years will not be affected by the Asian crisis. But it is likely that other planned projects will be scaled back, postponed or scrapped.

Longer-term trends in commodity prices also may be a factor, notes Mr. Gelb. Since the bulk of foreign investment in Africa is concentrated in oil, mining and other extractive industries, how those commodities fare on the world market will have an important influence on investors' decision-making.

Enhancing competitiveness

So will overall competitiveness. "The nature of the problem in Africa is a little different from the one that has emerged in Asia," says Mr. Gelb. "In one sense, you could say that African countries have not been lucky enough to be in the position to have the kind of crisis that East Asia has had, because they've not been able to attract capital on the scale East Asia has been able to." While ensuring adequate regulatory mechanisms to guard against some of the negative effects of large capital flows, it is important for Africa to look hard at the factors which inhibit the competitiveness of its economies, especially at a time of increased trade competition. "If Africa cannot expand or maintain its share of world trade," argues Mr. Gelb, "I think it will be very difficult for it to develop."

Along similar lines, Ugandan President Yoweri Museveni told a conference of Southern African leaders held in Namibia in July, that Africa must develop competitive industries able to produce cheap and high-quality goods. Because of Africa's small national markets, he said, one way to do so would be to first develop stronger regional markets within Africa, to achieve larger scales of production. "You cannot compete globally," he said, "if you do not strengthen yourself first." ■

What lessons for Africa?

Africans cannot ignore the questions raised by the Southeast Asian crisis, Zambian Finance Minister Edith Nawakwi told a conference of African stock markets in Lusaka in late September. History, she said, "warns us that those who forget the past, live to relive it." Among the particular lessons for Africa of the Asian crisis, she highlighted the importance of market transparency and strong financial regulatory mechanisms. "In the absence of efficient information flows, adequate regulation and transparency, emerging markets are very susceptible to high volatility and risk," she emphasized.

Mr. Alan Gelb, the World Bank's chief economist for Africa, agrees that the importance of financial sector regulation has been highlighted with particular force by the Asian crisis. "As African economies liberalize their trade and current accounts and ease up on capital market restrictions, they need to have their regulatory frameworks in place," he told *Africa Recovery*. "The Asian crisis makes us even more aware of the ground rules that are needed before you do that." It also draws greater attention to the issue of safety nets in Africa, he adds. "You don't expect a very comprehensive safety net in a very poor country. Nevertheless, [the crisis] does throw into relief the question of trying to protect the population from very severe economic shocks."

In more general terms, argues Mr. Befekadu Degefe, an analyst at the UN Economic Commission for Africa, two basic lessons that Africa can learn from both the successes and problems of the Southeast Asian countries "are that there is need for a strong and visionary state and that the market must be assisted in the allocation of the limited resources available."

Global solutions for a global crisis

The United Nations has a key role to play in helping resolve economic turbulence

*By **Kofi Annan**, UN Secretary-General*

The Asian crisis, now rapidly becoming a global crisis, is by no means a purely financial matter. It has disastrous consequences for millions of people in their everyday lives. Moreover, it is the poor who are hardest hit.

And poverty comes with its usual sorry retinue: hunger, social unrest, violence, abuse of human rights. The least developed countries, the ones least able to influence global priorities and policies, are being penalized yet again.

So the human dimension of the crisis must be at the heart of the response to this first major crisis of globalization. At the same time, crucial as the role of the seven major industrial powers and of the world's finance ministers and central bankers is, the reality of today's globalized world means that they cannot, indeed should not, take on this task alone. All parts of the international system need to come together, and the United Nations, the one truly global institution we all belong to, must have a seat at the table as discussions on the new world "financial architecture" suggested by President Clinton get underway.

Economic and financial strategies will succeed only if we jointly define the political framework within which they can be applied. No less important, the credibility of the actions that would then be devised to deal with the crisis would have infinitely greater global resonance and support.

Dynamism and disruption

Taken all in all, over the long term, globalization is a positive and dynamic force. It draws us closer together and offers us wider choices, enabling us to produce more efficiently, to control our environment, to improve our quality of life.

But such benefits are not felt equally by all. For many people, that "long term" is too far off to be meaningful. Millions on this planet still live in isolation, on the margins of the world economy. Millions more are experiencing globalization not as a great new opportunity but as a profoundly disruptive force, which attacks both their material living standards and their culture — the way of life they inherit from their forebears.

The numbers who feel that way are now sharply on the rise. Some of those who had benefited most from open markets and capital flows are now feeling the greatest pain. The temptation to retreat into nationalism or populism is strong. But fortunately, in most developing countries those false solutions are being rejected.

Each country's crisis has its own local features and causes. Each country has to address its own specific problems and shortcomings. But many countries need help. This is indeed a global crisis, which must be tackled both locally and globally.

No doubt some will say that this is none of the UN's business. There are other international bodies, more specialized and perhaps more competent to deal with economic problems: the World Bank, the International Monetary Fund, the World Trade Organization, the Bank for International Settlements.

Indeed, I have the highest respect for the special role and expertise of each of those bodies. I have worked hard to forge closer ties with them, and I am glad to say they have been very responsive. They want to work with us, and we must be ready to work with them.

None of us would claim to have got everything right in our handling of globalization. I certainly make no such claim for the UN. All of us probably bear some share of responsibility for the present crisis. And all of us may have something to learn from each other. By working together we can all make our work more credible, more relevant, and more legitimate in the eyes of the world at large.

UN/ Evan Schneider

For these are not just financial or macro-economic problems. They have grave social and political consequences, and some of their causes are to be found in political and social systems. I believe the UN does have a responsibility, as the universal institution, to stress the global nature of the crisis — and to insist on the need for global solutions, based on global rules that are fair to all.

It is our job to ensure that nations do not react to global crisis by turning their backs on universal values. In such crises we must come together to find solutions based on the founding principles which all our member states have in common: those of the UN Charter, and the Universal Declaration of Human Rights.

I also believe we have a special responsibility to speak up for the victims, or potential victims, of global crises. We cannot forget the countries, in Africa and elsewhere, whose debt burdens the crisis has made even more unsustainable.

Debt relief is often resisted on grounds of "moral hazard" — that it rewards the reckless and penalizes the prudent. But were not the lenders often just as reckless and irresponsible as the borrowers? Can it really be moral for them to insist on full interest and full repayment, if the result is that children, not yet born when the debts were contracted, are denied even a subsistence diet or an elementary education?

That is one example of a global economic issue which the UN has a duty to raise, and to keep raising until there is a global response.

Many nations feel their interests are ignored or neglected in specialized economic bodies, where the strongest voices — for quite understandable reasons — tend to be those of countries which have already achieved economic success. But the UN provides a forum for informed debate among all those affected by the crisis. It has to represent all stakeholders in the global economy.

The United Nations must be a key player in the search for solutions that preserve the benefits of globalization, while protecting those who have suffered or who up to now have been left out. ■

Tokyo conference

from page 1

lenge facing the world today," requiring an enhanced mobilization of both domestic and international energies and resources, the UN Secretary-General declared.

The gathering, organized by the government of Japan and jointly sponsored with the UN and the Global Coalition for Africa (GCA), was a follow-up to the first TICAD conference in 1993, which emphasized support for good governance and private sector development in Africa at a time when international attention to the continent was flagging. The second conference has been of even greater significance, commented Ghana's President Jerry Rawlings, "since Africa is now even more integrated into a globalized world."

In approving the Tokyo Agenda for Action, African leaders have pledged their "moral commitment" to do everything possible to achieve its goals, Malian President Alpha Oumar Konaré declared. "Africans are giving you our word."

A message of hope

Africa's efforts already have brought "tangible improvements" in economic performance, Sir Ketumile Masire, former president of Botswana and currently a co-chairman of the GCA, emphasized at TICAD-II's opening. Over the past three years, he said, most African countries have had growth rates above 3 per cent, with a number enjoying growth of 5 per cent or more.

Mr. Annan also drew attention to such "good news," citing not only recent economic achievements, but also an end to long wars in some countries and widespread democratic transitions. Because of Africa's continuing poverty and conflicts, however, some have argued that "talk of an African renaissance is unrealistic or premature," the UN Secretary-General noted. "But let us not forget the dramatic gains that have already been achieved.... Today I bring to you a message of hope, hope that we can put to rest the inaccurate portrayals and perceptions of Africa, hope that we can consolidate the gains achieved so far, hope that Africa will at long last realize its great potential."

Numerous speakers similarly highlighted Africa's recent progress, and pondered how the continent's "success stories" could be better brought to the attention of donors, as well as potential foreign investors and trade partners.

Risks of globalization

Meanwhile, many African delegates worried about the possible hazards of greater global economic integration, particularly in light of the severe crisis in the Asian "tigers" and its impact on Africa's own growth prospects (see pages 16-20). Malaysian Prime Minister Mahathir bin Mohamad described in forceful terms how the rapid inflows of capital into Malaysia and other Asian developing countries, facilitated by financial liberalization, were suddenly reversed, leaving behind collapsed economies, political instability and increased poverty. What the Asian economies have witnessed, he said, is "capitalism in its worst form," marked by both widespread poverty and "the rich with their billions" engaging in currency trading and stock-market raiding. "This is the world of the new millennium," Mr. Mahathir declared. "If we are not careful, if we do not take the job of developing our countries seriously, we may revert to being colonies again."

In Africa's own experience, commented Finance Minister L.V. Ketso of Lesotho, sweeping economic liberalization may have high initial costs, while its benefits may take some time to materialize. "There is reason for many countries to hesitate in fully opening up" to the global economy, he said. President Blaise Compaoré of Burkina Faso, speaking as chairman of the Organization of African Unity, stressed that while Africa needs to break out of its isolation and achieve a greater share of world investment and trade, it should be able to join the globalization process at a measured pace, "as our capacities develop." In particular, progress in subregional economic integration within Africa could serve as a "school of globalization" in

Sir Ketumile Masire, former Botswana President: **African economic performance has shown "tangible improvements" in recent years.**

Thabo Mbeki, Deputy President of South Africa: **Africa's development partners should pay more attention to the socio-economic constraints on good governance.**

Jerry Rawlings, President of Ghana: **Despite greater economic growth, "abject poverty is still staring us in the face."**

Poverty reduction, Africa's global integration agreed as priorities

The twin themes of the Tokyo Agenda for Action* adopted on 21 October at the Second Tokyo International Conference on African Development (TICAD-II) are poverty reduction through accelerated economic growth and sustainable development, and the effective integration of Africa into the global economy. "The experience of poverty reduction in East Asia demonstrates that rapid economic growth with equitable income distribution over a sustained period of time can help lift the poor above the poverty line," the Agenda declares.

Toward that end, the Agenda sets a series of targets in education, health, women's advancement and other areas to promote social development and assist the poor, and outlines the types of actions required by both African countries and their development partners to achieve those goals. Again citing the East Asian experience, it identifies education as central to human capacity building, and thus to accelerated growth and sustained poverty reduction.

Noting that "globalization presents additional challenges and new opportunities for African countries," the Agenda stresses that national development strategies should aim to enhance international competitiveness through greater use of appropriate technologies to improve skills and productivity. While African countries should ensure open economies and promote private enterprise, the Agenda says, they also need to strengthen the capacity of public institutions, including through improvements in governance. Africa's development partners can support these efforts through debt relief, expanded market access for African exports, and promotion of foreign direct investment. Regional economic integration within Africa, and above all progress in resolving and preventing conflicts, are also seen as vital to the continent's progress.

**The full text of the Tokyo Agenda for Action is available on the Internet at <www.mofa.go.jp/region/africa/ticad2>*

which Africa's producers can learn how to compete better externally.

Several donor representatives acknowledged the particular problems Africa faces and urged greater measures to tame the volatility and inequities of international markets, as well as more efforts to open up industrialized countries' markets to African exports. "While I consider globalization to be both inevitable and full of promise," declared French Cooperation Minister Charles Josselin, "I also believe that governments must be vigilant actors, to regulate its movement and pace and to soften certain destabilizing effects." As Ms. Eveline Herfkens, the Minister of Development Cooperation of the Netherlands, put it: a stable world economic order must be more than just a "paradise for the winners."

UN University

Malawi Finance Minister Cassim Chilumpha: Africa has a good investment climate.

World Bank Vice-President for Africa Callisto Madavo emphasized that such difficulties should not dissuade Africa from further reforms. "It is now even more important," he said, "to reform policy and the institutional framework to enhance Africa's competitiveness on a global basis, and to attract investment."

Asian business eyes African opportunities

"Our investment climate is as good as in other parts of the world," Malawi Finance Minister Cassim Chilumpha told a group of more than 50 businessmen from Japan and other Asian countries, during a "business dialogue" held on the last day of the Second Tokyo International Conference on African Development (TICAD-II). He cited the high rates of return on foreign investments in Africa, the commitment of many African governments to sound economic policies, and the political stability that prevails in Southern Africa and some other parts of the continent. Despite such positive signs, Mr. Chilumpha said, "we haven't seen foreign direct investment coming in to support these efforts" on a sufficient scale.

There is considerable potential in Africa, however, affirmed Mr. Shigeji Ueshima, President of the giant Mitsui corporation and co-chair of the committee for the Middle East and Africa of Keidanren (Japan Federation of Economic Organizations), the association of leading Japanese enterprises. Currently, he noted, Africa accounts for only 1 per cent of Japanese foreign investment, compared with 22 per cent in Asia. In looking at new opportunities in Africa, Mr. Ueshima said, Japanese investors are most influenced by peace and political stability. "Private business investment flows to peaceful countries, and away from conflict."

Generally agreeing with Mr. Ueshima's emphasis, other business executives cited additional considerations. Mr. Motoyuki Oka, Managing Director of Japan's Sumitomo trading corporation, which is involved in exporting African products to the US and other markets, mentioned physical infrastructure and skills. Mr. Leopoldo Clemente, President of Clemente Holdings of the Philippines, said that specific incentives matter less to investors than do the overall growth and openness of an economy, which influence the stability of profit rates.

An official of the Malaysian Industrial Development Authority stressed the importance of external perceptions: while many African countries may be at peace and offer good conditions for foreign investors, the tendency of the major media is to focus on disaster and conflict, painting the whole continent with the same brush. "Bad news is free," he noted. "Good news you have to pay for." To attract investors, African countries therefore need to more aggressively project the continent's "good news."

Debt burden 'unacceptably high'

A few TICAD-II participants expressed disappointment that the Agenda for Action itself did not deal very extensively with external financial issues. But during the discussions from the conference floor, both debt and aid came up repeatedly.

"The debt burden of African countries is unacceptably high and is debilitating to Africa's growth prospects," President Festus Mogae of Botswana said, summarizing the views expressed in a focus group discussion on economic development. Tanzanian Prime Minister Frederick Tluway Sumaye reported that his country must spend 35 per cent of its recurrent revenue on foreign debt servicing, which "denies us the degrees of freedom to spend on the core issues for development. It denies us the opportunity to spend on the social sectors, on infrastructure, etc." In similar terms, argued Zambian Finance Minister Edith Nawakwi, "Unless something is done to resolve the excessive debt overhang, and its considerable drain on the much required resources for development, we can only expect the ideals of economic reform and good governance to remain a pipe dream."

The debt relief that Africa has received so far has been "too little, too late," stressed Ms. Herfkens, who urged more energetic action for Africa's poorest countries, especially those emerging from recent conflicts. Up to now, the response of Africa's creditors has been "simply scandalous," Mr. Mats Karlsson, State Secretary in Sweden's Ministry of Foreign Affairs, told *Africa Recovery*. Numerous delegates, including from African non-governmental organizations (NGOs), were critical of the Heavily Indebted Poor Countries (HIPC) initiative of the International Monetary Fund and World Bank, arguing that its eligibility criteria are too restrictive.

Mr. Choolwe Beyani, research coordinator of the African Forum on Debt and Development (AFRODAD), challenged the host country, Japan, to accord Africa greater debt relief. In response, Mr. Kunio Katakura, the Japanese government's special envoy to TICAD, noted that Japan had already converted ¥30 bn (about $225 mn) in bilateral African debt into grants. He also recalled Prime Minister Obuchi's pledge at the conference opening that Japan would give "serious consideration" to expanding the number of eligible countries and the amount of debt subject to such relief.

Reversing the aid decline

Beyond debt relief and increased foreign investment, Africa continues to require development assistance, UN Economic Commission for Africa Executive Secretary K.Y. Amoako emphasized. "The focus for us and our donor friends," he said, "ought to be not whether [to provide] aid, but how to enlarge and make aid more effective." In a similar vein, Mr. James Gustave Speth, Administrator of the UN Development Programme, noted that official development assistance (ODA) to sub-Saharan Africa had declined in both 1996 and 1997, adding, "It is a tragic irony that, at a time when Africa is poised to embark on a development renaissance, the solidarity of the international community should be found wanting." To translate promise into action, therefore, Mr. Speth argued that the Tokyo Agenda for Action "must be backed by solid,

important international commitments to increase ODA for Africa."

Some participants, such as GCA Co-chair Robert McNamara, were skeptical that the donor community would provide more aid. However, several donor representatives announced that they would in fact give more. Ms. Clare Short, the UK's Secretary of State for International Development, reported that her country's development assistance programme is growing once again, after years of decline, with overall allocations set to increase by 9 per cent next year. Since Africa is a priority, she said, aid to the continent "will grow even more." (In 1996/97, the UK disbursed $3.5 bn, of which 38 per cent went to sub-Saharan Africa.)

Mr. Karlsson revealed that Sweden would raise its overall aid budget by 19 per cent over the next three years. Ms. Herfkens said that the Netherlands could not increase its aid level, but would maintain it at around 0.8 per cent of gross national product, among the highest ratios of all donor countries. Prime Minister Obuchi said that Japan would, despite its own severe economic difficulties, "continue to play a leading role for development cooperation in Africa" (see page 26).

Ties, conditions and ownership

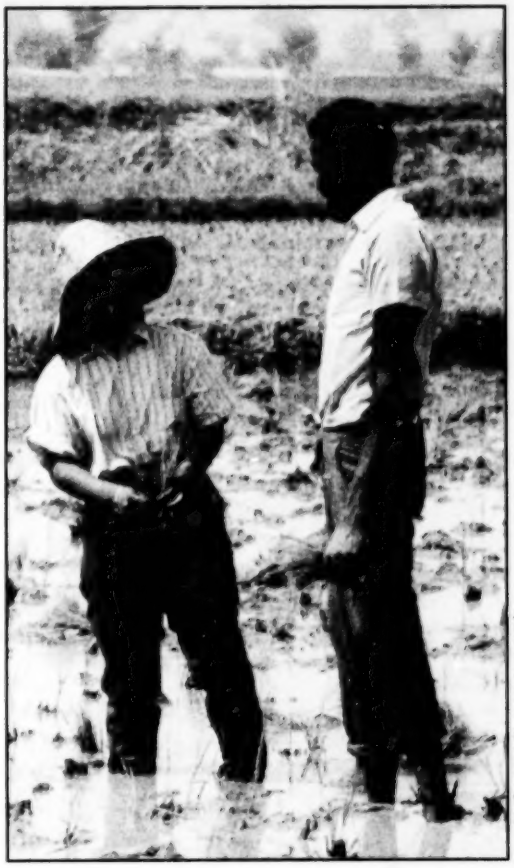
During TICAD-II's first plenary session, President Rawlings of Ghana sharply criticized the common donor practice of tying development assistance to the purchase of goods or services from that particular donor country. The representatives of Norway, Switzerland and the UK all agreed that aid should be "untied," and favoured moves in that direction within the industrialized countries' Organization for Economic Cooperation and Development (OECD).

Aid conditionality should also be eased, suggested Mr. Karlsson, who urged donors to coordinate their assistance programmes with African countries' national budgets, "democratically adopted by national parliaments." According to Mr. James Michel, Chairman of the OECD's Development Assistance Committee, the relationship between donors and African governments should move toward "more ownership and less donorship."

The theme of African "ownership" of national development strategies was prominent throughout the conference. But it should be genuine, Ethiopian Prime Minister Meles Zenawi stressed. Donors, he maintained, often seem to believe the concept of ownership means that "African countries do what the donors want them to do, but they do it without kicking and screaming, they do it voluntarily. That, in my view, is not ownership." In contrast, he said, the Tokyo Agenda for Action uses the term in a much different way, by emphasizing that African countries should first define their own development priorities and strategies and then discuss them with their development partners.

Social and political development

As reflected in both the conference discussions and the Agenda for Action, those priorities express a view of development that looks beyond simple economic growth, and encompasses enhancements in people's social conditions, the resolution of conflicts, and greater steps toward the democratic participation of all citizens.



Japan International Cooperation Agency

Expanded Asia-Africa cooperation is a key focus of the TICAD process.

To widespread agreement, President Mathieu Kérékou of Benin stressed that "without social integration, development will remain fragile and ephemeral," and that progress should be measured not so much by GDP growth rates as by improvements in health, education and "production that meets the needs of the suffering majority." Many speakers repeatedly emphasized the importance of greater investment in education, noting that high literacy rates and skills were key underpinnings of Asia's development advances.

Higher economic growth can help boost incomes and thus reduce poverty, many concurred, but targeted strategies also are needed to promote job creation and ensure that the poorest sectors of society are not left behind. Despite Ghana's improved economic growth, said President Rawlings, "abject poverty is still staring us in the face." Prime Minister Ibrahim Assane Mayaki of Niger stated that the simultaneous pressures of rampant poverty, unpopular adjustment measures, and demands for rapid democratization can engender conflict and make it very difficult for governments to manage.

One plenary session was devoted to discussions of governance and conflict resolution, with most speakers drawing particular attention to the development linkages. South African Deputy President Thabo Mbeki observed that Africa's new democratic systems are fragile, since they rest on complex, multi-ethnic societies, and he urged Africa's development partners to pay more attention to the socio-economic constraints to good governance. Mozambican President Joaquim Chissano stressed that poverty makes it difficult to realize democracy's full potential and tends to promote conflict. Conflict, in turn, undermines development efforts and scares away potential investors, thus making it harder to reduce poverty. Only concerted efforts on all these fronts can break the vicious circle, many conference participants agreed, adding that African leaders themselves must play a bolder and more active role in spurring human development, resolving conflicts through peaceful means, and improving governance.

African governments must engage in more extensive dialogue with both the private sector and civil society organizations, participants agreed. Among others, Ms. Frene Ginwala,

Speaker of the South African parliament and one of the GCA's co-chairs, emphasized the importance of integrating gender issues into all development strategies. She lamented the continued absence of women in decision-making positions, "as evidenced by the platform of this meeting," which was overwhelmingly male.

Asia-Africa cooperation

While the TICAD process has sought to enhance broad international partnership with Africa, a particular aim has been to generate greater Asian cooperation. Since the first Tokyo conference in 1993, trade and investment relations between the two regions have expanded considerably, while Japan has emerged as one of Africa's foremost donors. Throughout the TICAD-II conference, African participants repeatedly thanked Japan for its continuing expressions of commitment to their continent, especially at a time when Japan's own economy is experiencing its worst downturn in half a century.

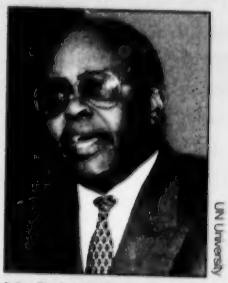
Expanded partnership between the two regions also has highlighted greater "South-South" cooperation — a variety of agreements between Africa and Asia's newly industrializing or developing countries (see page 27). Indonesia, although it has been one of the hardest hit by the Asian economic crisis, pledged to continue providing aid and advice to African farmers and training for African students at Indonesian universities. India vowed to maintain its technical assistance programmes in Africa, while Thailand noted the utility of "tripartite" arrangements, in which developing countries in Asia or North Africa provide technical experts or other in-kind support, but with other project financing covered by donor countries.

The importance of greater Asian private-sector engagement was likewise highlighted, most notably in a special session of TICAD-II involving leading Japanese businessmen (see box, page 23). In December, the Republic of Korea is hosting an Asian-African investment forum in Seoul, with participants expected to come from 24 African and 10 Asian countries.

As a follow-up to TICAD-II, Japanese Foreign Minister Masahiko Komura announced at the close of the conference that Japan will help organize a series of meetings in different parts of Africa, to monitor progress on a region-by-region basis. "If private sector-led economic growth is accelerated, through the implementation of the right policies by African governments and their development partners," Mr. Komura said, "I am convinced that the 21st century certainly will be the era of Africa's rebirth." ■

Strengthening African state institutions

To better manage the opportunities and risks of globalization, African countries need a "developmental state" with a stronger capacity to formulate and implement policies, argues Mr. Delphin Rwegasira, Executive Director of the Nairobi-based African Economic Research Consortium (AERC). In recent years, however, many African economic programmes have tended to be "donor-driven," and therefore not owned by African governments themselves. As a result, Mr. Rwegasira asserts, such programmes inevitably "fall flat at the end of the day." He was speaking at a public forum on "African Development in the 21st Century" held at UN University (UNU) headquarters in Tokyo on 16 October, and jointly organized with the AERC, which promotes the training of African economists.



UN University

Mr. Delphin Rwegasira: Africa needs a "developmental state."

Many of the African economists, academics and policymakers who took part in the day-long forum were up-beat about the relatively higher growth rates achieved in Africa over the past few years, and most believed that this was a reflection of Africa's own efforts. "What you see is value being unlocked by reforms," affirmed Malawian Minister of Finance Cassim Chilumpha.

Numerous participants voiced concern that Africa's higher growth rates may not be sustained. Some worried about the impact of the current global economic downturn, the fact that African investment and savings rates remain low, and the prospect that aid flows may continue to decline. If there were one message that she would convey to the Tokyo International Conference on African Development, set to open three days later, said Ms. Ruth Kagia, a World Bank sector manager for human development in Africa, it would be that "political rhetoric is not enough; it's got to be backed up by resources."

Several speakers also expressed misgivings over the challenges of increased international competition, at a time when many African governments are ill-equipped to manage these new demands. In part, commented Mr. A.M. Dirar, director for economic development of the Organization of African Unity, this is because the structural adjustment programmes carried out in many African countries have led to a "wholesale sacking of state institutions."

The process of globalization could affect Africa positively, said Dr. Ernest Aryeetey of the University of Ghana, reporting on behalf of a UNU-AERC expert group. But globalization also entails risks and costs, he said, adding that "liberalization must be done with care." Since the private sector alone cannot build up the infrastructure that Africa needs to develop and compete, public-private partnerships are essential. But this requires strengthening Africa's state institutions, he stressed. "We need governments with the capacity to intervene where they are needed."

Mr. Thandika Mkandawire, Director of the UN Research Institute for Social Development, reviewed the changing conceptions of the state's developmental role, from the early post-independence assumption that the state was the primary agency of modernization to the view inherent in structural adjustment programmes that the state is a "nuisance" standing in the way of the market. This shift was an extreme one, however, leading to a destruction of African government institutions and the growing dominance of donor agencies in the formulation of basic economic policy. Democracy has made major advances in Africa during this decade, Mr. Mkandawire noted, but often this is a "choiceless democracy," in which elected governments have no right to determine their own budgets, given the conditionalities imposed by external financing agreements. If such constraints persist, he feared, "this will discredit democracy as an option."

Mr. Mkandawire — long an outspoken critic of authoritarian governments in Africa — argued forcefully that enhancing state capacities is essential for Africa's overall development, not only in the economic sphere, but also for nation-building and improving democratic interaction with society. African governments must be in a position to manage their economies' competitiveness and make integration into the global economy "a deliberate process." Building up Africa's institutions is vital, Mr. Mkandawire stated, "even if that means slower growth," otherwise fast growth may lead to chaos within a few years. "Hopefully," he concluded, "the crisis in Asia will once and for all undermine the dogma of markets, and lead to a serious revisiting of the role of the state."

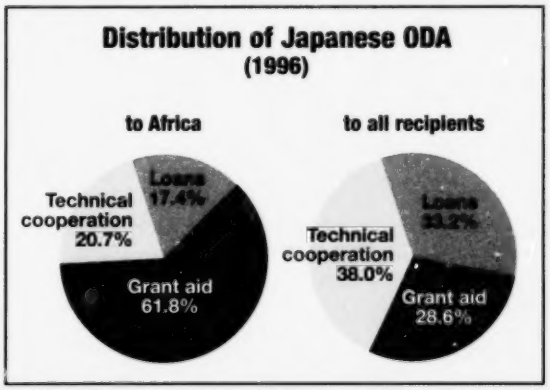
Japan aims for quality aid to Africa

Priorities include poverty reduction, private sector growth and human resource development

By **Nii K. Bentsi-Enchill**

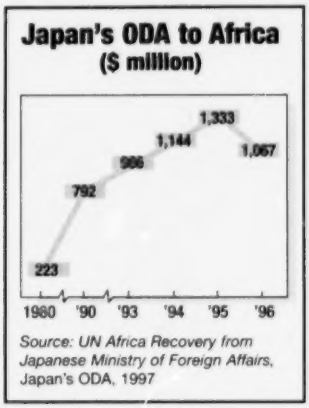
Even while Japan faces "great economic difficulties and severe financial circumstances," it remains committed to playing a leading role in development cooperation with Africa, Prime Minister Keizo Obuchi declared at the recent Tokyo International Conference on African Development (see page 1). He said Japan would be giving priority to poverty reduction and integration of Africa into the world economy in collaboration not only with other donor countries and international organizations, but also with "fellow Asian countries with interests in Africa." Other areas to which Japan would also be paying greater attention include human resource development and private sector growth as well as primary education, health and clean water supply.

Mr. Obuchi's commitment was not linked to a pledge to increase official development assistance (ODA) to Africa. Indeed, Japan decided last year to shift the emphasis of its ODA from volume to improved quality. In June 1997, the government decided on further reduction of the foreign aid budget over the 1998-2000 period, starting with a cut of at least 10 per cent in 1998. While in recent years Japan has been the world's biggest donor to developing countries and the fourth biggest donor to Africa, its aid to Africa had already fallen by 20 per cent in 1996 to $1.07 bn. This was part of the sharp decline in Japan's total bilateral ODA — from $10.5 bn in 1995 to $8.4 bn in 1996. The ratio of Japan's total ODA to gross national product (GNP) also fell from 0.28 per cent in 1995 to 0.20 per cent in 1996.



Source: UN Africa Recovery from Japanese Ministry of Foreign Affairs, Japan's ODA, 1997

Despite the budgetary pressures, Japan took the opportunity of TICAD-II to state its continuing commitment to African development. Prime Minister Obuchi used Japan's own experience to stress the importance of African countries' taking charge of their own development process. The role he outlined for Japan would be one of helping coordinate bilateral and multilateral assistance to that process.



Source: UN Africa Recovery from Japanese Ministry of Foreign Affairs, Japan's ODA, 1997

Creating partnerships

Japanese aid to Africa has been under review since early 1997. Some of the new emphasis is on improving aid effectiveness through better surveys, monitoring, evaluation, and follow-up activities. Another aid framework is the "Shaping the 21st Century" strategy document drawn up by the Development Assistance Committee of the Organization for Economic Cooperation and Development (OECD). Japan was a "particularly active contributor," the OECD said earlier this year, noting that Japan is "leading efforts to create partnerships between donors and developing countries to implement the goals and management styles embodied in the strategy document."

At the Tokyo conference, Japanese officials explained the current thrust of their aid to Africa. One priority is human resource development, with Japan planning to sponsor training for 2,000 Africans in Asian and North African countries, in conjunction with Indonesia's Centre for South-South Technical Cooperation. It intends to set up regional training centres in Kenya and Ghana which will also help coordinate international research against parasitic and infectious diseases.

Reflecting Japan's interest in trilateral cooperation, another effort involves providing skills training for Africans at facilities in Malaysia, which receive Japanese aid and inputs from France. One important area of training involves increasing African countries' capacity to manage their external debt. Japan will provide technical assistance for this, working with the UN Development Programme (UNDP) and the African Development Bank.

Another priority is promoting Africa's private sector, particularly through trade with and investment from Asia. To these ends, Japan will work with the UN Industrial Development Organization (UNIDO) and the UN Conference on Trade and Development (UNCTAD) to set up an Asia-Africa Investment Information Centre. Hosted by Sibexlink, a Malaysia-based economic information service, the centre will provide information on investment opportunities through the Internet.

Japan is also working with UNDP towards an Asia-Africa Business Forum scheduled for late 1999 in one of the Asian capitals. The aim is to provide a venue for African and Asian business people to meet and do business. A second forum will be held in Africa in 2000. Noting that small and medium enterprises (SMEs) are vital to private sector development, Japan has welcomed the idea of declaring 2000 the year of SMEs in order to focus attention, internationally and in both Asian and African countries.

Noting the longstanding fact that Japan is a country "that has in principle renounced the goal of becoming a military superpower," the Ministry of Foreign Affairs observes that Japan considers ODA to be an especially important foreign policy tool. It also believes that it should "aggressively promote" technical assistance. As the Ministry explains in its 1997 report on ODA, Japan has long experience in "assimilating institutions, policies and legal systems from overseas and achieving development by rearranging them in a Japanese fashion." Japan is, therefore, extremely well placed to help developing countries "seeking to introduce more industrialized countries' institutions and policies." ■

Push for more South-South cooperation

Meetings in New York and Tokyo spotlight importance for Africa

By **Nii K. Bentsi-Enchill**

Since developing countries still share common needs such as access to export markets and to external capital, South-South cooperation is more valid and relevant than ever, says UN Deputy Secretary-General Louise Fréchette. She was speaking during the UN General Assembly's commemoration in early October of the 20th anniversary of the Buenos Aires Plan of Action for promoting and implementing technical cooperation among developing countries. South-South cooperation is an imperative and not an option in this age of globalization, added Mr. Gabriel Akunwafor of Nigeria, addressing the same meeting on behalf of African delegations.

Similar statements were made later that month at the Tokyo International Conference on African Development (see page 1), where Japan pledged to help expand South-South (and particularly Asian) cooperation "to make further progress in African development." The efforts of Asian nations to share the experience of 30 years of rapid economic growth through technical cooperation and other means "will be highly useful to Africa," said Prime Minister Masahiko Komura. Besides maintaining the Asia-Africa Forum as an active framework for policy dialogue, Japan is planning an "African development network" of institutions for training and joint research on complex development issues. This network would consolidate links with Asia and other donor nations and organizations, and would start with an expansion of Jomo Kenyatta University of Agriculture in Kenya to help build capacity for other African countries.

An example of cooperation: Republic of Korean technical assistance in Ethiopia.

Japan's efforts to stimulate further South-South cooperation converge with some basic principles of the developing countries' Group of 77 and China (set up in 1964), and by the Group for South-South Consultation and Coordination (G-15), set up by the Non-Aligned Movement in 1989. These groupings also promote bilateral efforts to enhance South-South cooperation, with Brazil, India, Republic of Korea, Malaysia, Pakistan and Vietnam among the countries that assist with projects and programmes covering a wide range of areas including trade and investment, information technology, solar energy, agriculture and private sector development.

India, for example, set up its technical and economic cooperation programme (ITEC) in 1964 and has provided training in such fields as hydrology, communications, satellite imaging, small and medium industry, and renewable energy resources. Some 60 per cent of the 1,350 training slots are reserved for Africans, India's Ambassador Kamalesh Sharma told the General Assembly last October. Besides carrying out technical assistance projects in African countries, India also participates in triangular South-South cooperation. One example is a food security project in Eritrea for which India will provide technical assistance under the Food and Agriculture Organization's special programme on food security.

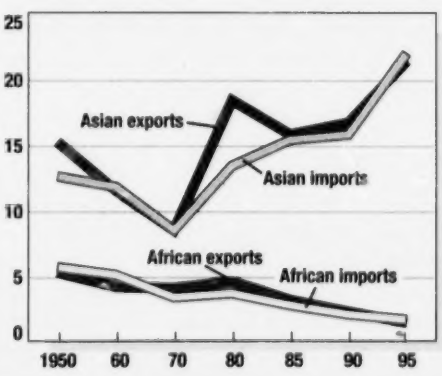
While Asia is the current focus, Africa has much to gain from cooperation with other regions, albeit with occasional political wrinkles. According to South Africa's Deputy Minister of Foreign Affairs Aziz Pahad, his country's relations with the Middle East are "of crucial importance because we are now living in a world of globalization and growing economic blocs," InterPress Service reported. In recent years, South Africa has developed trade links with Iran and its trade with the Middle East rose from $823 mn in 1993 to $2.2 bn last year. "South Africa's economic interests come first" and South-South cooperation "provides opportunities to develop new markets," says Mr. Pahad, a statement that may resonate through other African countries. ■

Where Africa's exports go (%)

	1988	1996
Industrial countries	67.6	64.7
Developing countries	16.2	26.0
Africa	6.2	10.1
Developing Asia	4.5	9.1
Middle East	1.4	1.9
Latin America	1.6	2.8

Source: UNCTAD, from IMF, Direction of Trade Statistics Yearbook, *various issues*

Shares in world exports and imports (%)



Source: UN Africa Recovery from UNCTAD, Handbook of International Trade and Development Statistics, 1997

Partner in the fight against poverty

UNDER THE BAOBAB TREE

The African Baobab is one of the world's hardiest trees, thriving in even the most arid environment. It is also the tree under which some Africans traditionally meet to decide issues of common concern.

by **Djibril Diallo**

The mention of the name Danny Glover evokes the image of a fighter for good over evil. As Mel Gibson's side-kick in the *Lethal Weapon* action movie series, Glover is to be found always taking the side of good over evil in the fight to make the world a safer place for mankind.

It is, therefore, no real surprise that in real life, Danny Glover would show equal zeal and commitment to making life better for mankind's neediest, the more than 1.5 billion people living in extreme poverty, for whom each day is a battle to stay alive till the next day. Surviving on less than one dollar a day, they cannot get enough to eat, lack access to safe water and other basic services and are, in many cases, homeless. Danny Glover showed his commitment to this downtrodden group when he agreed to be Goodwill Ambassador of the UN Development Programme (UNDP). Ever the active person, Glover has quickly followed up his appointment as Goodwill Ambassador with activities highlighting the threat posed by poverty to an ever-increasing number of people around the world.

At a New York press conference, Glover, who follows in the footsteps of other Goodwill Ambassadors such as Harry Belafonte and Audrey Hepburn, said, "I hope to see people take charge of their existence, rebuilding their lives; above all, I hope to use my voice to make theirs heard."

Keeping true to his promise, Glover followed his appointment with a trip to Namibia and South Africa to give momentum to the anti-poverty efforts of the governments of the two countries and of UNDP. He carried with him a message which UNDP Administrator James Gustave Speth has often identified as UNDP's top priority — that poverty is "the greatest challenge before humanity" but one which "we have the opportunity to eliminate ... from our planet."

I had the distinct pleasure of accompanying Danny Glover on the trip. Right from take-off in New York, he made it clear that he wanted his visit to be more than just a public relations show piece, and to lead to meaningful progress and improvements in the lives of society's neediest.

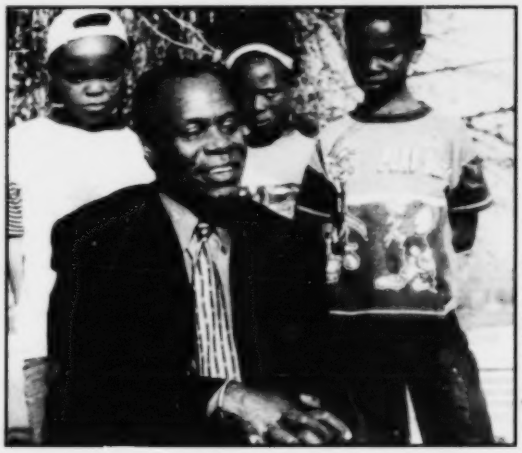
In Namibia, he started at the Ongwediva Teacher Training College. There he saw how a successful programme in mathematics and science is equipping teachers to effectively train their students to overcome illiteracy and position themselves for a life without poverty. He also visited the Omuthia community project which, with UNDP support, harnesses the community's potential through an informal market and a community bakery. At another community project in Ekamba, Danny Glover saw people engaged in such activities as sewing school uniforms, weaving traditional baskets, milling millet for their own consumption and running a daycare centre for small children.

In South Africa, Danny Glover was given a private lunch by President Nelson Mandela and his new wife, Mrs. Graça Machel. He also attended the events marking President Mandela's 80th birthday. But even in the midst of the celebration and festivities, Danny Glover did not lose sight of his mission. He took the opportunity of his meetings with President Mandela to press the government of South Africa to maintain its focus on poverty eradication.

In addition, he took the time to travel to Kgotsong where he met a group of women who have organized themselves into a cooperative. By collecting one rand (approximately 22 cents) per day from each member, and adding a government subsidy, the members have created access to credit that enables them to build their own cinder-block houses. With a loan of about $1,500 available to each member and with direct labour supplied by the members, the women of the Kgotsong Women's Housing and Savings Scheme are able to build two or three-room homes. For many of these women, these houses represent their first real homes.

Danny Glover capped his Southern African voyage by participating in the appointment of Nobel Laureate Nadine Gordimer as another UNDP Goodwill Ambassador. A renowned fighter for social justice and equity, Ms. Gordimer received the Nobel Prize for Literature in 1991 in recognition of her literary works, which oppose political marginalization and social exclusion.

It is uncommon to find high-flying celebrities taking up the cause of the common man as Danny Glover has done. But then, Danny Glover is not the average celebrity. Even before he became a Hollywood star, Glover had always played an activist role in the community. Growing up in San Francisco, he had put his budding acting talent to work — first in theatre, then in film — on behalf of the downtrodden. In the 1960s, he organized student protests and was involved in social programmes. He was also active in the fight against apartheid, using theatre and film to denounce a system he found abhorrent and against the very tenets of human coexistence. Glover hopes that through his involvement, greater attention will be focused on the scourge of poverty. And with increased attention, maybe the international community will be moved to take more resolute action to eliminate poverty completely. ■



Danny Glover, UNDP Goodwill Ambassador, with children in Soweto, South Africa.

UNDP / Andrew Tshabangu

AFRICA AGENDA

FUTURE EVENTS

14-16 December 1998, Seoul (Rep. of Korea) — Forum on Asia-Africa Cooperation in Export Promotion. Organized by the government of the Republic of Korea, the UN Department of Economic and Social Affairs, and the UN Office of the Special Coordinator for Africa and the Least Developed Countries.

14-17 December 1998, Dakar (Senegal) — 7th SWAA Conference on Women and AIDS in Africa. Theme: Enhancing the Participation of Men. Enquiries: Chairperson, 7th SWAA Conference. Tel (221) 823-8847, fax (221) 824-3722, e-mail <swaa@telecomplus.sn>.

16-18 December 1998, Cotonou (Benin) — Africa Regional Conference on Internet Governance. Enquiries: Pierre Dandjinou, Africa Internet Group. Tel/fax (229) 5384, e-mail <Sdnpaf@intnet.bj>.

10-11 February 1999, New York (US) — Caring Communities for the 21st Century – Villages and Cities for All Generations. Enquiries: Nancy Lewis, International Council for Caring Communities. Fax (212) 759-5893, e-mail<iccc@undp.org>.

21-24 March 1999, Barcelona (Spain) — Local Authorities Uniting in a Global Mission – Democratization, Decentralization and Cooperation. Enquiries: International Union of Local Authorities Congress Secretariat. Tel (34-93) 402-7883, fax (34-93) 402-7453 e-mail <iula99@mail.bcn.es>, website <www.iulabcn.org>.

25-26 March 1999, Leeds, (UK) — 5th Annual International Sustainable Development Research Conference. Enquiries: ERP Environment, tel (44-1274) 53-0408, fax (44-1274) 53-0409.

19-21 April 1999, Singapore — World Conference on Model Cities. Enquiries: Conference Secretariat at Kent Ridge, tel (65-77) 92633, fax (65-77) 51350, e-mail <mcsing99@pacific.net.sg>, website <www.ura.gov.sg/wcmc/wcmc.html>.

27 April-2 May 1999, Bulawayo (Zimbabwe) — Zimbabwe International Trade Fair. Enquiries: Graham Rowe, General Manager, tel (263-9) 64911, fax (263-9) 79298, website <www.samara.co.zw/zitf>.

5-8 May 1999, Fujiyoshida Yamanashi (Japan) — 10th Global Warming International Conference and Expo. Enquiries: World Resource Review, tel (81-630) 910-155, fax (81-630) 910-1561, website <www.globalwarming.net>.

24-26 June 1999, Kanagawa (Japan) — Open Meeting of the Human Dimensions of Global Environmental Change Research Community. Enquiries: Shonan Village Center, Tel (81-468) 55-3720, fax (81-468) 55-3709, e-mail <hdgec@iges.or.jp>, website <www.soc.titech.ac.jp/uem/openmeet> or <www.iges.or.jp>.

24-27 June 1999, Luton, (United Kingdom) — Public Participation and Innovations in Community Governance. Enquiries: Andy Asquith, tel (44-1582) 74-3419, e-mail <andy.asquith@luton.ac.uk>.

1 May-30 June 1999, Grahamstown and KwaZulu-Natal (South Africa) — Training course: SADC/Rhodes International Certificate in Environmental Education 1999. The course is for professional development in environmental education. Enquiries: Dr. H.B. Lotz, course coordinator, tel (27-461) 603-8389, fax (27-461) 622-3432, e-mail <edhl@warthog.ru.ac.za>.

WHAT HAS TAKEN PLACE

23 November, Cape Town (South Africa) — Business Opportunities Network (Western Cape). Tel (27-21) 419-9641, fax (27-21) 419-0586, e-mail <bon@iafrica.com>, website <www.bon.co.za>.

7-8 November 1998, Pretoria (South Africa) — Gender Relations and Women's Struggles. Contact Workers Education Project, tel (27-11) 838-2181, fax (27-11) 838-2182, e-mail <wep@sn.apc.org>.

26-27 November 1998, Bloemfontein (South Africa) — Overcoming the Impediments to the Strategy Against HIV and AIDS. Contact: Prof Dingie van Rensburg and Prof Charles Ngwena, tel (27-51) 401-2181, fax (27-51) 448-0370, e-mail <svr@rs.uovs.ac.za>.

AFRICA BOOKS

For a Strong and Democratic United Nations: A South Perspective on UN Reform by the South Centre (Zed Books, London, UK; 1997; 229 pp; $62.50 hb, $25 pb)

Régionalisation, mondialisation et fragmentation en Afrique subsaharienne edited by Daniel Bach (Editions Karthala, Paris; 1998; 320 pp; 160 FF)

Globalization, Human Security, and the African Experience edited by Caroline Thomas and Peter Wilkin (Lynne Rienner Publishers, Boulder, CO, US; 1998; 225 pp; $49.95)

Promoting US Economic Relations with Africa (Council on Foreign Relations, New York; 1998; 136 pp). Report of an Independent Task force sponsored by the Council on Foreign Relations.

The Rise and Fall of Development Theory by Colin Leys (Indiana University Press, Bloomington, Indiana, US; 1996; 224 pp; $35 hb, $14.95 pb)

Développement durable au Sahel edited by Philippe Tersiguel and Charles Becker (Editions Karthala, Paris; 1998; 288 pp; 150 FF)

State, Conflict, and Democracy in Africa edited by Richard Joseph (Lynne Rienner Publishers, Boulder, CO, US; 1998; 520 pp; $65 hb, $22.50 pb)

Out of Conflict: From War to Peace in Africa by Gunnar M. Sørbø and Peter Vale (Nordiska Africainstitutet, Uppsala, Sweden; 1998; 214 pp; $23.95)

What Women Do in War Time: Gender and Conflict in Africa edited by Meredeth Turshen and Clotilde Twagiramariya (Zed Books, London, UK; 1998; 192 pp; $19.95)

A Safer Future: Reducing the Human Costs of War by Edmund Cairns (Oxfam, Oxford, UK; 1997; 128 pp; $11.95)

We Wish to Inform You That Tomorrow We Will Be Killed With Our Families: Stories from Rwanda by Philip Gourevitch (Farrar, Straus & Giroux, NY; 1998; 353pp; $25.00)

Ville et nature dans les agglomérations d'Afrique et d'Asie by Pierre-Marie Tricaud (Gret, Paris; 1997; 104 pp; 75 FF)

Developing Uganda edited by Holger Bernt Hansen and Michael Twaddle (James Currey, Oxford, UK; 1998; 304 pp; £40 hb, £16.95 pb)

The Dynamics of Economics and Political Relations Between Africa and Foreign Powers: A Study in International Relations by Tukumbi Lumumba-Kasongo (Praeger, Westport, CT, US; 1998; 152 pp; $55)

Empowering Communities: A Casebook from West Sudan by Peter Strachan with Chris Peters (Oxfam, Oxford; 1997; 96 pp; £7.95)

Rebuilding Communities in a Refugee Settlement: A Casebook from Uganda by Lina Payne (Oxfam, Oxford, UK; 1998; 96 pp; $12.95)

ONG et développement. Société, économie, politique edited by J.P. Deler et al (Editions Karthala, Paris; 1998; 698 pp; 195 FF)

Africa: Dilemmas of Development and Change, edited by Peter Lewis (Westview Press; 1998; 384 pp; $79 hb, $30 pb)

Written by some of the most influential scholars on Africa, this collection covers a variety of topics, including political leadership, forms of state power, the role of civil society, the importance of class, ethnicity, and gender, and the prospects for democratic change in the region. The book provides a broad historical perspective on Africa's political and economic development and an overview of current problems and prospects.

Entre urgence et développement. Pratiques humanitaires en question edited by Claire Pirotte and Bernard Husson (Editions Karthala, Paris; 1997; 240 pp; 130 FF)

Gender and Technology: Empowering Women, Engendering Development by Saskia Everts (Zed Books, London; 1998; 192 pp; $49.95 hb, $17.50 pb)

Freedom Is a Bomb that Explodes in Your Head: Mission Report on Freedom of Expression in Southern Africa (Netherlands Institute for Southern Africa in collaboration with Media Institute for Southern Africa, 1998; 64 pages. Tel (31-20) 520-6210, fax (31-20) 520-6249, e-mail <niza@niza.nl>)

Africa Confidential: Who's Who of Southern Africa edited by Patrick Smith (Blackwell Publishers, London, UK; 1998; $125)

Innover dans les systèmes de santé. Expériences d'Afrique de l'Ouest by Joseph Brunet-Jailly (Editions Karthala, Paris; 1997; 440 pp; 180 FF)

AFRICA IN BRIEF

Guinea-Bissau peace accord is highlight of ECOWAS summit

Conflict prevention and resolution dominated the agenda of the Economic Community of West African States (ECOWAS) summit meeting held in Abuja, Nigeria on 30-31 October. The meeting culminated in an accord to end the five-month conflict in Guinea-Bissau, signed by President João Bernardo Vieira and rebel leader General Ansumane Mane.

The 16 member countries of ECOWAS decided to establish a new department within the ECOWAS secretariat, to replace ad-hoc committees in preventing, managing and resolving regional conflicts.

The October summit also launched regional travellers cheques, aimed at boosting trade and facilitating travel. Marking an important step towards a single currency and monetary union, the launch of the cheques was largely overshadowed by the summit's peace-brokering achievement. ■

Renewed efforts to roll back malaria

Four international agencies — World Health Organization (WHO), World Bank, UN Children's Fund (UNICEF) and UN Development Programme (UNDP) — united to launch the Roll Back Malaria campaign on 30 October at the UN in New York. Distinguishing itself from previous efforts to fight malaria, the RBM campaign is a global partnership with bilateral development agencies, development banks, governments, non-governmental organizations and the private sector. By strengthening the health services available to affected populations and stimulating research and development of new methods for controlling the disease, the RBM campaign aims to cut the number of deaths from malaria by 50 per cent by 2010 and by 75 per cent by 2015. "We need a sustained effort this time. We need to reach a child with fever within hours with simple and inexpensive medication," said Dr. Gro Harlem Brundtland, WHO Director-General, speaking at the RBM campaign launch.

Focusing first on Africa, the site of 90 per cent of all malaria cases, the RBM campaign's aims include upgrading health delivery systems, intensifying use of insecticide-coated bednetting, mapping malaria regions, and coordinating the development of new drugs and vaccines.

The vast majority of malaria victims are sub-Saharan African children who lack access to health services. In trials involving the use of bednets treated with biodegradable pyrethroid insecticide in The Gambia, Burkina Faso, Kenya and Ghana, deaths among children under 5 declined dramatically.

Recalling that insecticides introduced 30 years ago generated great hope at that time for the imminent eradication of malaria, Dr. Brundtland cautioned that the disease is "...coming back in countries where it had gone and it's increasing in countries where it's been endemic all the time." Calling on the private sector to join in the campaign against malaria, Dr. Brundtland declared, "We don't say 'eradicate' anymore. We know we cannot eradicate malaria in the next 10 to 15 years. Meanwhile, we must make a greater effort to look for the vaccine that could make the difference." ■

UN Security Council urges easing of sanctions on Burundi

The UN Security Council in early November urged African leaders to consider lifting or suspending the economic sanctions on Burundi. The sanctions were imposed mainly by East and Central African countries days after Major Pierre Buyoya, a former military ruler of Burundi, took power on 25 July 1996.

Stressing that the sanctions were worsening conditions for the ordinary people and damaging the peace process, Mr. Buyoya's regime had called on the international community to press for the sanctions' removal.

The economic blockade aimed to restore constitutional order and force Mr. Buyoya into peace talks with the Hutu rebels. Mr. Buyoya did begin peace talks and has launched a "political partnership" with some Hutu representatives.

However, the military branch of the main rebel movement, the National Committee for the Defence of Democracy's Armed Forces (CNDD-FDD), announced its objection to any removal of the sanctions. According to the CNDD-FDD, several "essential conditions" for ending the sanctions have not been met, notably the release of thousands of political prisoners, the reinstatement of the March 1992 Constitution and the implementation of democratic procedures and institutions. ■

General Assembly debates progress on UN New Agenda

African ambassadors at the UN recently argued that economic and political reforms carried out by many African countries — often in spite of the adverse external environment — outweighed the efforts of the international community in carrying out the contract of partnership under the UN New Agenda for the Development of Africa in the 1990s (UN-NADAF). These were among the main views expressed during a late October General Assembly debate on progress in implementing the New Agenda since its mid-term review in 1996.

Debate participants acknowledged that some progress had been made by the UN system in implementing measures and recommendations agreed at the mid-term review. However, African ambassadors urged the international community to provide more development aid, debt relief and improved market access for African products.

Many participants echoed the point made by UN Secretary-General Kofi Annan in his recent progress report on the New Agenda that the inadequacy of financial resource flows to Africa poses a major constraint to the New Agenda's implementation. Mr. Annan noted that "Africa's share in total resource flows to developing countries not only halved, from 15.4 per cent in 1992 to 7.4 per cent in 1996, but also fluctuated from year to year."

Several representatives of non-African states were among those making the most vocal calls for increased financial flows to Africa — particularly in the form of increased foreign direct investment. While not discounting the importance of development assistance, Mr. Hasmy Agam, Malaysia's Ambassador to the UN, referred to foreign direct investment and the associated acquisition of skills and technologies as the "way forward" for the development of Africa.

"Our deep concern is with the problems encountered from the external environment which often frustrate delivery and undermine constructive efforts in the implementation of the New Agenda," remarked Mr. Khiphusizi J. Jele, South Africa's Ambassador to the UN. Along with declining financial resource flows, Mr. Jele cited the "negative impacts of globalization on the fragile economies of Africa" as particular constraints in this context. Ms. Regina Montoya, representative of the United States, added that the international financial crisis and adverse weather conditions threatened to derail the substantial economic gains of some African countries.

EU and ACP states launch trade-aid negotiations

With little fanfare, the European Union (EU) and the Africa, Caribbean and Pacific (ACP) states opened negotiations in late September on the successor agreement to the present Lomé IV Convention, due to expire in February 2000. The Lomé Conventions have governed trade relations between EU and ACP states since 1975.

Many ACP states fear the talks could result in a significant scaling back of trade benefits for nearly a third of the 70 ACP states that are party to the convention. (South Africa, with partial Lomé membership status, is not covered by Lomé trade provisions and is not participating in the renegotiations.) The "better off" ACP states feel that the EU is pressuring them unfairly to accept free-trade accords. The poorest ACP countries are expected to continue to receive the benefits granted under the current convention.

Since mid-1995, South Africa and the EU have been holding a separate set of trade negotiations, long stalled due to disagreements on a number of issues including South Africa's use of the terms "port" and "sherry." Portugal and Spain have argued that a deal cannot be concluded until South Africa ends the practice of labeling its fortified wines as "port" and "sherry" — terms which the two EU members consider associated with geographic regions in their countries.

By late October, however, South Africa's Agriculture and Land Affairs Minister Derek Hanekom reportedly was considering offering the EU concessions on the port/sherry issue in order to revive the talks. ■

World Bank urges narrowing of knowledge gap

Several African countries have overtaken industrial countries in adopting new telecommunications technologies, observes the World Bank's 1998/99 *World Development Report*. Published under the title, "Knowledge for Development", the report cites at least two dozen developing countries including Botswana, Djibouti, The Gambia and Mauritius which already have fully digital telephone networks. Many of these countries' telephone networks have completely bypassed the intermediate stages of copper wires and analog technology.

Nevertheless, much of the developing world is unable to access even basic communications technology, due to lengthy waiting lists for telephone installation as well as lower incomes, the World Bank report points out. On average, sub-Saharan Africa has just 1.5 phone lines per 100 people as compared to 64 lines per 100 in the United States.

The report focuses on two types of knowledge — technical knowledge and "knowledge about attributes" (such as the quality of a product or the credibility of a borrower). World Bank President James Wolfensohn warns in the report's foreword that a further widening of the "knowledge gap" between rich and poor will cause "capital and other resources [to] flow to those countries with the stronger knowledge bases, reinforcing inequality."

"Three key means of facilitating the acquisition of knowledge from abroad are an open trading regime, foreign investment and technology licensing," says Mr. Wolfensohn. ■

UN Essinger Debalee

Former three-time World Heavyweight Champion Muhammad Ali has been designated by Secretary-General Kofi Annan as a UN Messenger of Peace, a role played by renowned artists, writers and sportsmen to promote the work of the UN.

Mr Ali, seen above presenting a boxing glove to Mr. Annan in mid-September, is expected to travel soon to Africa on behalf of the UN.

Progress in rallying political will to combat desertification

Fifty-one African countries have ratified the UN Convention to Combat Desertification (CCD), and another "is on its way" to ratifying the convention, reported Mr. Hama Arba Diallo, Executive Secretary of the UN CCD, during an informal briefing on 21 October at the UN in New York.

Commending progress at the national level in rallying the political will to combat desertification, Mr. Diallo noted that 143 countries have now ratified or acceded to the convention, with Rwanda most recently added to the list.

Mr. Diallo emphasized that even those countries which have not completed CCD ratification or accession processes are welcome to attend the second Conference of the Parties (COP-2), in Dakar, Senegal, from 30 November-11 December 1998.

At COP-2, developing countries will discuss their experiences in implementing the CCD and those countries that have established national action programmes will report on their progress. Developed countries will report on their activities to help combat desertification in developing countries. ■

Private-sector growth attracts foreign capital, says IMF

In the more intensely competitive environment for foreign capital flows, "African governments must give increased emphasis to policies that foster the private sector," stated Mr. J.B. Zulu, International Monetary Fund (IMF) Special Representative to the UN, during an informal briefing at the UN in New York on reform of the international monetary system. This is because "a strong domestic private sector attracts the foreign private sector," he explained.

This recommendation elicited a strong response from African ambassadors, who asked Mr. Zulu to clarify how these policies could be applied in the short run in cases where countries lack the middle class to sustain private-sector development and are unlikely to develop a sizable private sector for a long time. Responding that the appropriate policy prescription would be the same, Mr. Zulu rested his argument on the fact that the natural business incentive is strong throughout Africa, but often remains untapped in countries "where resources have shifted to the so-called government sector." Even for countries with a negligible private sector, Mr. Zulu stated, "good policies attract private-sector investment from domestic and foreign sources. Short-term, medium-term and long-term are words that no longer exist because economic interdependence is intensifying every day." ■

AFRICA WATCH

GLOBAL WARMING

Famine in Africa more widespread by 2050, says UK study

Climate change will cause severe drought conditions in large areas of Africa by 2050, according to findings presented in early November at the Buenos Aires global warming conference. The projections on global warming's impact, prepared by a British research team, point to an additional 30 million people hit by famine in 50 years' time because of the reduced ability to grow crops in large parts of Africa.

Forecasting an average 6 per cent increase in global land temperatures over the next century, the study concludes that climate change will have the strongest impact on food supply in Southern and Central Africa and parts of North and South America. The study also projects rising sea levels world wide, with the coasts of Egypt and West and East Africa among the most vulnerable regions. Global warming could also cause malaria to spread to parts of the world which are now free of the disease, including the eastern highlands of Africa and parts of Europe. ■

African 'success stories' attract considerable FDI, says UNCTAD

Excluding South Africa, the African continent's share in total foreign direct investment (FDI) flows to developing countries was just 3 per cent last year, notes the *World Investment Report 1998: Trends and Determinants*, published by the UN Conference on Trade and Development (UNCTAD). The estimated $4.7 bn worth of FDI into African countries excluding South Africa in 1997 was $100 mn less than in 1996, but double the inflows in 1990.

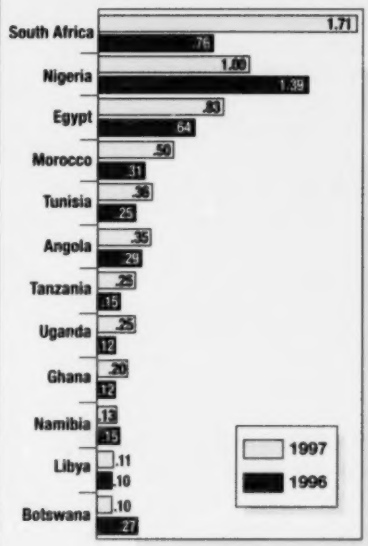
While Africa as a whole remains marginalized in the global competition for FDI, a number of African countries attracted high inflows last year. After South Africa, the largest recipients were Nigeria, Egypt, Morocco, Tunisia and Angola, attracting two-thirds of the total for the region (see graph).

These "success stories" give Africa "signs of hope" in competing for FDI, remarked Mr. Georg Kell, an economist in the Office of the Secretary-General who helped launch the report at the UN in New York. "On a per capita basis, many [African] countries attract more FDI than do developed countries," added Mr. Kell. Moreover, rates of return on foreign direct investments in Africa "have consistently been high," according to the UNCTAD report.

Important factors contributing to the considerable FDI inflows into a number of African countries in 1997 include improvements in macroeconomic performance, enhanced business regulatory frameworks, and the implementation of other policies encouraging private enterprise.

Many of Africa's smaller economies that received relatively low amounts of FDI in absolute terms last year attracted high levels of FDI relative to their size. The sizeable natural resources possessed by many of these countries, as well as the strategic geographic locations of some countries for servicing larger African economies, were among the factors that attracted foreign investors, UNCTAD reports.

FDI flows into top African recipient countries ($bn)



Source: UN Africa Recovery from UNCTAD data

LDCS

Cape Verde may 'graduate' from list of poorest nations

Cape Verde, along with the Maldives, Samoa and Vanuatu, may be removed from the UN's list of the world's 48 poorest nations by the year 2000. The UN Committee for Development Planning recommended that these four states should be categorized as developing countries instead of least developed countries (LDCs) because of increases in per capita income and other signs of improved economic performance. Before it can take effect, the recommendation must be acted on by the 185-member UN General Assembly.

But the four countries are reluctant to leave the category of the "poorest of the poor," since LDC status confers certain privileges and concessions such as a higher proportion of grants and debt cancellation.

The four LDCs want the UN to defer its decision until their special status as fragile, tiny economies is fully evaluated. Per capita income, one of the determining indicators used in categorizing LDCs, is not always an accurate means of gauging economic performance, they argue. Because per capita income simply divides a country's national income by its population, this economic indicator can make small states appear wealthier than they really are.

Along with several other small developing states, the four countries are urging the introduction of a "vulnerability index" that would provide a more accurate indicator of a country's economic status. Taking into account the economic impact of factors such as a propensity for natural disasters, fragile national assets in risk of depletion or destruction, and dependence on the production of one or a few crops, this index would be a fairer determinant of development status, they say. ■

HEALTH

Major push to eradicate trachoma

Pfizer Inc., the international drugs company, and the Edna McConnell Clark Foundation, a US charity, announced plans in early November to jointly launch a $66 mn programme to help eradicate trachoma, the leading cause of preventable blindness in Ghana, Mali, Morocco, Tanzania and Vietnam.

Strains of the chlamydia bacterium cause trachoma, which has blinded some 6 million people worldwide. However, treatment is simple and effective — just a single dose of an antibiotic once a year, health workers said.

The programme will distribute Zithromax, a long-acting antibiotic, to help meet the World Health Organization's target of eliminating trachoma by the year 2020. The WHO strategy also involves increasing clean water supplies, and carrying out minor eye surgery. Pfizer plans to donate enough Zithromax to treat 3 million people in the five countries over the next two years. ■